TABLE OF CONTENTS

VII. DESCRIPTIVE CHARACTERISTICS OF THE ESTABLISHMENT ............................................. 123
   A. INDUSTRY ............................................................................................................................... 123
      1. Industry: operational definition ......................................................................................... 123
      2. Industry: requisites for applying the definition ................................................................. 123
      3. Industry: review of questions used in national censuses .................................................. 124
      4. Industry: suggestions for enhancing the effectiveness of the questions ............................. 127
      5. Industry: issues of measurement ....................................................................................... 128
   B. INSTITUTIONAL SECTOR ........................................................................................................... 129
      1. Institutional sector: operational definition ......................................................................... 130
      2. Institutional sector: requisites for applying the definition .................................................. 130
      3. Institutional sector: review of questions used in national censuses ................................... 132
      4. Institutional sector: suggestions for enhancing the effectiveness of the questions .......... 134
      5. Institutional sector: issues of measurement ....................................................................... 134
   C. INFORMAL SECTOR AND INFORMAL EMPLOYMENT ........................................................... 134
      1. Informal sector: operational definition ............................................................................... 138
      2. Informal sector: requisites for applying the definition ....................................................... 138
      3. Informal sector: review of questions used in national censuses ......................................... 138
      4. Informal sector: suggestions for enhancing the effectiveness of the questions ............... 141
      5. Informal sector: issues of measurement ............................................................................. 146

VIII. WORKING TIME AND INCOME ......................................................................................... 151
   A. WORKING TIME ....................................................................................................................... 151
      1. Working time: operational definition ................................................................................. 152
      2. Working time: requisites for applying the definition .......................................................... 152
      3. Working time: review of questions used in national censuses ......................................... 153
      4. Working time: suggestions for enhancing the effectiveness of the questions ................. 155
      5. Working time: issues of measurement .............................................................................. 157
   B. INCOME ................................................................................................................................. 158
      1. Income: operational definition ........................................................................................... 158
      2. Income: requisites for applying the definition ................................................................. 159
      3. Income: review of questions used in national censuses ................................................... 160
      4. Income: suggestions for enhancing the effectiveness of the questions ............................. 163
      5. Income: issues of measurement ....................................................................................... 165
VII. DESCRIPTIVE CHARACTERISTICS OF THE ESTABLISHMENT

357. It is essential that once the main or reference job is identified, all characteristics should refer to that same main job throughout the questions that follow. The questionnaire design must be such that it will not confuse respondents or interviewers on that point. When any secondary activities are supposed to be recorded they must be clearly identified separately and placed so as not to confuse the flow of questions relating to the main job. The task is not usually difficult with current activity (see examples below) but can be quite difficult with usual activity.

A. INDUSTRY

358. As a census topic, industry is only slightly less common than occupation and has been included in several census rounds in many countries.

359. Industry is a key classifying item for most employer- and establishment-based employment and wage surveys. However, most of those surveys cover only larger, formal employers, and therefore a population census is usually the only possibility for obtaining comprehensive and detailed statistics of all employment in a country by industry. The census statistics on industry are thus a major basis for the economic statistics of most countries as well as for their labour market and social statistics. To facilitate comparability, it is essential that the industry classification used in the census be consistent with that used in other relevant surveys.52 In previous censuses many countries have used the International Standard Industrial Classification of all Economic Activities, Revision 2, approved in 1968, and ISIC, Revision 3, approved in 1989. It is hoped that all countries will have changed to a classification compatible with ISIC, Revision 4, by the time of the 2010 round of censuses.

1. Industry: operational definition

360. Industry refers to the activity of the establishment in which an employed person worked during the time reference period established for data on economic characteristics (or last worked, if unemployed). It describes what the establishment does, not what the individual does when working for that establishment; for example, a person may work as a security guard in a department store, an accountant at a hotel or bus driver who drives passengers to the aircraft at an airport. For those who are self-employed without any employees on a continuous basis, the activities of the establishments that they represent will be those that they undertake themselves. For multi-establishment enterprises, the predominant activity of the establishment (the location where the person worked) should be recorded, rather than the predominant activity of the enterprise (legal entity).

2. Industry: requisites for applying the definition

361. There are generally two components to the desired industry question(s). The first part of the question should ask for the name of the place of work, with details of division or branch for

52 The use of consistent classifications will not alone achieve comparability. Other factors that may affect comparability are outlined in paras. 30 and 110-111.
larger private enterprises and government institutions and establishments. That information may be recorded under the place of work variable (see chap. VI, paras. 338-342). Asking for the full name and address may also be useful, in particular when access to an establishment register is possible. The second part of the question must elicit a clear description of the main products or the main functions of the establishment.

3. Industry: review of questions used in national censuses

362. The questions used in censuses are grouped under the following three categories:

(a) Questions with pre-coded categories (example G.1), as in the case of occupation;
(b) One question that asks about the type of activity undertaken by the establishment (examples G.2 to G.4);
(c) Two or more questions, a basic question on type of activities and one or more other questions requesting supplementary information on other characteristics, such as place of work or address of the workplace (examples G.5 and G.6).

363. As with occupation, the use of pre-coded response categories for industry (see example G.1) is not desirable, as it is very difficult for field staff to allocate employed persons to the correct category. In addition, that strategy will limit the detail available for this variable. Although it is easier to draw up a reasonably sound pre-coded list for industry (based on the International Standard Industrial Classification of All Economic Activities) than for occupation (based on the International Standard Classification of Occupations), the list of categories will still be severely restricted and the resulting groupings are likely to be of very limited usefulness.

Example G.1

<table>
<thead>
<tr>
<th>G.1.1 IF CODED 1 (Employed)</th>
<th>Type of main industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food crops</td>
<td>Plantation</td>
</tr>
<tr>
<td>Fishery</td>
<td>Animal husbandry</td>
</tr>
<tr>
<td>Other agriculture</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Trade</td>
<td>Services</td>
</tr>
<tr>
<td>Transportation</td>
<td>Others</td>
</tr>
</tbody>
</table>

364. A useful strategy employed in the example for Australia (see annex I, sect. D) is to combine the respondent’s pre-coded response (question 42 in the Australian questionnaire) with more detailed information (in question 43) as inputs to the automated coding system, together with details on name and address from earlier questions. The pre-coded response is important and useful supplementary data in the process (for more details on automated coding systems, see chaps. X and XI).

Example G.2
125

Branch of activity
G.2.1 Mark the type of activity of the establishment where the respondent works or the kind of work if s/he works for her/himself.
This column is not applicable to persons younger than 10 years. For these persons write 888 in the cells.

365. In example G.2, the space allocated for recording activities in the column for the branch of activity is not adequate for providing any details. The question provides space for entering a three-digit code, which implies that the enumerator is to match the description given by the respondent with the codes for the activities, select the appropriate code and enter it on the questionnaire. That approach not only prolongs the interview but is also prone to errors, and there are no means of checking or correcting those errors after the interview is completed, since the actual response to the question would not have been recorded. The problems associated with interviewer coding, covered in part five, are also inherent in the approach illustrated in example G.2.

Example G.3

366. Example G.3 presents one question about the type of activity (what the establishment is dedicated to or produces). Sufficient space is given to record the response.

367. A stand-alone question requesting a description of the activity is unlikely to elicit the details needed to accurately classify industry to the third or fourth digit level codes presented in ISIC. However, it is recognized that census planners may be forced, owing to space limitations, to use only one question for industry, particularly with the landscape questionnaire layout. In such cases it will still be better to ask a combined question on the name of the location and the activity, rather than solely asking about the activity.
368. Example G.4 is also a fairly comprehensive industry question, but it does not attempt a combination with place of work. It has very useful notes regarding the self-employed and paid domestic work. The manual and training for interviewers should provide guidance on how to record persons working from home and persons with no fixed place of work. For those cases, it would have been best to record their statements for the answers to G.4.1. The question includes the word “industry”. Its use would be unacceptable for a single question, but in the example alternates are given in case the term was not understood, which is good practice. Question G.4.1 does refer to the person’s employer or company, whereas it is the actual establishment or place of work that is recommended as the reference for industry. It is uncertain how large multi-establishment companies or similar government departments would be recorded.

### Example G.5

<table>
<thead>
<tr>
<th>G.5.1.a</th>
<th>G.5.1.b</th>
</tr>
</thead>
<tbody>
<tr>
<td>geo-code</td>
<td>isic-code</td>
</tr>
</tbody>
</table>

369. The three-part question in example G.5 is captioned by the main question, “Where do you work?”. The description of the activities the company of the employer engages in is presented with the work address and name of the company. The information requested should be easy enough for the respondent to provide, and there are no technical terms that would require explanations.
The questions in the example G.6 cover both industry and place of work topics. They show how the problematic groups mentioned earlier—persons with “no fixed place of work” and persons “working from home”—can be identified, thus averting possible confusion when coding industry. The notes on the questionnaire are extensive and do take considerable space.

4. Industry: suggestions for enhancing the effectiveness of the questions

Industry questions have been asked in several censuses in many countries and thus there is usually some experience with this topic. However, many problems are still being identified with the resulting statistics. The following issues have been found to be of concern:

(a) It is important to record as much information on industry as possible during the census so that accurate industry attribution can be derived. Lack of space on the questionnaire for recording the relevant information has been found to be the major factor resulting in inadequate industry descriptions. It is particularly the case if landscape format is used for the questionnaire;

(b) The word “industry” should not normally be used in the question, as respondents’ understanding of the word frequently does not correspond to what is intended. However, the word may be given as a heading for the question, as has been done in some cases, to guide interviewers. One of the objectives in the training of fieldworkers should be to eliminate any confusion that interviewers may have about the meaning of the term;

(c) The temptation to give too many examples should be avoided as it will clutter the questionnaire and may confuse rather than enlighten the interviewer. Examples should be selected on the basis of previous experience, noting in particular those whose identification has often caused problems for enumerators. Similarly, instructions to enumerators have to be restricted to the most critical ones only.
372. It is useful to give enumerators good examples of goods or services produced and it may be necessary to give them effective training for such a complex question to succeed.

5. **Industry: issues of measurement**

373. Owing to its importance, the industry question should always be included in any pre-testing programme, even if the topic has been asked many times before. Most developing countries and many countries in transition are still searching for a means of improving the canvassing of this important topic. Aspects that need to be tested include the following:

- The most suitable order for the block of questions on industry;
- The means of obtaining good industry descriptions;
- The most effective examples and notes to be included in the questionnaire;
- The identification of establishments with different industry codes when they belong to the same large enterprise or government department.

374. Good interviewer training is the key to the collection of accurate industry descriptions. Interviewers should be briefed on the need for accurate and relevant information about the activities of the place of work, using several words to give detailed descriptions. They should also be thoroughly drilled on the difference between adequate and inadequate descriptions through a series of examples. The examples should be local and come from the queries and problem cases in recent censuses and surveys. Unsuitable descriptions that occur often, such as “manufacturing”, “public service”, “teaching”, “farming” or “selling things” must be stressed as inadequate. Field practice should also give sufficient emphasis to the descriptions given for the industry and occupation questions. Supervisors should be instructed to send interviewers back to households when inadequate descriptions are given. It is only with such a concerted effort that the quality of industry and occupation descriptions will be adequate and, with a similar effort on coding, that the high quality of the resulting statistics can be assured. Any lists of major enterprises (private and government), if used, should also be handed out when training interviewers and should be explained so that the interviewers are also fully aware of why it is necessary to record the location description for the different units.
Special attention should be given to explaining difficult-to-classify categories such as production for own consumption, paid household staff and work at home or with no fixed location. These categories are explained below:

(a) **Production for home consumption.** Production for home consumption can be significant in some countries. Subsistence agriculture is usually the most common relevant activity but other activities are also possible, particularly in the agricultural off-season. Those activities were covered in more detail (see paras. 334-335) in relation to the occupational classification of such activities. The same type of problem arises for industry. It is very important to have a strategy for identifying the activities in this category separately when they are significant. The International Standard Industrial Classification of All Economic Activities, Revision 3, did not have industry codes for subsistence agriculture nor did it have corresponding codes for manufacturing for home consumption or own-account construction. However, a strategy was developed, and the codes were presented in the *International Standard Industrial Classification of All Economic Activities (ISIC), Revision 3.1* (United Nations, 2002). As a result, that revision has a separate code (9600) for “undifferentiated goods-producing activities of private households for own use”, and a similar code (9800) appears in ISIC, Revision 4;

(b) **Paid staff for private households.** Workers in this group include mostly domestic servants, gardeners or watchmen working directly for private households. Their situation needs to be identified on the questionnaire. They can then be coded to a separate industry code, for example, 9700 for ISIC, Revision 4. Generally, either the first part of an industry question should serve to identify them as working from home, when they live on the premises, or interviewers should be instructed to record the private household as their place of work. That will differentiate them from persons working for security companies, for gardening and landscaping companies, or for domestic service supply companies, who should be classified to the industry of their employing company, rather than to 9700 under ISIC, Revision 4, even though they may only provide services to one household on behalf of the employing company. The procedure must be explained well to interviewers, as the group is usually of a significant number in developing countries;

(c) **Persons working at home or with no fixed location.** It is often confusing to ask for details about the place of work for persons working from home or with no fixed location. If an address is recorded for such cases, it may only be that day’s location for a hawker, or some description of the home location. There are two alternatives for these cases: (i) to continue to ask the question for all the employed but tell interviewers to write in “home” or “no fixed location”, or (ii) to try to design the questionnaire so that the place of work is not required to be recorded.

B. **Institutional sector**

The institutional sector of employment is broken down into five main groups or sectors (see para. 377). The nature of and conceptual differences between the sectors makes it difficult for a population census to display the distinctions between them precisely. In the 2000 round of population censuses, although half the countries attempted to collect certain information on sector of employment, most of the attempts represented partial collection of the categories, notably government sector employment and private sector employment, which may appear within the status in employment response categories. Nevertheless, those replies have provided very valuable statistics. Furthermore, countries may derive the institutional sector from the name of the enterprise or establishment reported by the respondent, provided the name can be linked to a business frame that allows use of the institutional sector classification.

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53 It is necessary to take care that those who don’t work in a fixed location but do report to an establishment somewhere are not treated as “no fixed location” (see also para. 344).
1. Institutional sector: operational definition

377. The term “institutional sector of employment” relates to the legal and social organization and institutional status of the establishment in which a job is located. Following the definitions provided in the System of National Accounts\(^ {54} \), a distinction should be made between the following types of institutional sector categories, which are given in Principles and Recommendations, Revision 2. They are as follows:

(a) The non-financial corporations sector;
(b) The financial corporations sector;
(c) The general government sector;
(d) The non-profit institutions serving households sector;
(e) The household sector.

378. Categories (a) and (b) may need to be further subdivided according to whether they are controlled by government or private entities\(^ {55} \) in order to achieve estimates of public sector employment that are separate from private sector employment, as required by many users.

2. Institutional sector: requisites for applying the definition

379. Owing to the complexity of the definitions and the difficulty in applying them in a large-scale exercise, the main relevant distinction to be made in a population census is to split paid employees into government-paid employees and other paid employees. That split will be the primary focus of the present section. The split is very important for labour policy analysts, as almost all employment estimates and policy plans attempt to provide separate statistics for the government and the other (mostly private) sectors. That is a result of the perceived difference in relevant policies for the two sectors.

380. The definition of government comprises:

(a) All branches of government; national, state, provincial or local;
(b) Social security funds imposed and controlled by those units;
(c) Non-profit institutions engaged in non-market production that are controlled and mostly financed by the units in the above two categories.

381. The employees of all branches of government are generally not difficult to identify in a population census. Employees of social security funds can be identified, but the issue is whether extra steps need to be taken to ensure they are included in the government sector rather than with

\(^{54}\) See Commission of the European Communities and others, System of National Accounts, 2008 (United Nations publication, forthcoming) chap. IV; and Principles and Recommendations for Population and Housing Censuses, Revision 2 (United Nations, 2008b) para.2.335.

\(^{55}\) Some countries may use local definitions and practices to clarify whether an enterprise or institution is government- or privately-controlled. Some countries record whether the unit is government- or private-controlled on their business register and are then able to use this information in census processing. Chapter 22 of System of National Accounts, 2008, paras. 22.13–22.25, provides guidance on this issue.
other financial or non-financial sectors, in which case a separate question, category or instruction will be required.

382. Employees of non-profit institutions are also quite difficult to identify separately in a census. Non-profit institutions include schools, hospitals and trade associations, some of which are government-controlled but others which are partly or fully privately financed and controlled. When mixed types of non-profit institutions exist in a country, it is essential that clear guidance be given to field staff in regard to whether they are to be included or excluded from the government sector. The issue should be discussed with national accountants and labour policy analysts. Local terminology rather than national accounts terminology should be used in manuals or notes to interviewers (for example, “include all employees of government-aided schools, colleges and hospitals as ‘government’”).

383. The situation for all semi-government or parastatal (partly government and partly private) organizations needs to be made clear. In many developing countries there are many such organizations, though they are now being partly or fully privatized. For simplicity it would be best to exclude all such organizations from government and provide a separate category for them among the possible responses to the appropriate census question. A wide range of examples of such institutions should be included in the field manuals and covered during the training of field staff. The status and ownership of the post office, national railways, harbour boards, national airline, and the like, vary from country to country and over time in any country. It should be made very clear whether such organizations and institutions are to be classified in the government or in the semi-government category (as the case might be). Often interviewers and respondents think of some of them as government organizations even when they are partly or fully privatized.

384. Subdivisions of government. Some countries will want to identify separately different categories of government, for example, national Government, state or provincial government and local government. Steps should be taken to ensure that the distinctions between the categories are clear and well understood by field staff and respondents. In some countries there are complex situations, for example, where the central Government pays and controls the teaching staff of schools but local governments pay and control other staff and the general management of the schools. Such situations always seem to lead to confusion even if explained well to field staff. If there are too many such complex situations, it is recommended that those subdivisions of government not be attempted, or that the procedures should be pre-tested.

385. The industry codes for financial services will allow the further splitting of those employees in the financial corporations sector. Employment in non-profit institutions is very difficult to measure separately in a population census as the required information on the characteristics of the establishment (their non-profit status and who they service) generally cannot be expected to be known by many of the persons employed in them. Thus it is expected that paid employees of establishments in this sector will mostly be grouped together with those employed in private non-financial corporations, although some may also consider themselves to be government employees.

386. Subdivisions of other. Some countries have subdivided the “other paid employees” into categories for missions, churches, non-governmental organizations or parastatals, when such organizations are significant employers in the country concerned. With any such set of subcategories it is recommended that the relevant questions and response alternatives be well tested

56 The term “parastatal” may also need a locally known definition, as in some countries the term means commercial enterprises in which the Government has a controlling interest or ownership.
to ensure they are easily and accurately understood. For example, the non-governmental organizations category has produced some surprising results when tested. In addition, some non-profit institutions are serving in the market sector (see United Nations, 2003)

3. Institutional sector: review of questions used in national censuses

387. Two types of questions have typically been asked:

(a) Those that treat the institutional sector as a distinct topic investigated on its own (example H.1);
(b) Those that combine the institutional sector with status in employment (examples H.2 to H.4).

Example H.1

<table>
<thead>
<tr>
<th>H.1.1 In the main job, are you…</th>
<th>H.1.2 Do you work in…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker or employee? 0</td>
<td>State employment (national, provincial or municipal) 0</td>
</tr>
<tr>
<td>Employer? 0</td>
<td>Private sector employment 0</td>
</tr>
<tr>
<td>Own-account worker? 0</td>
<td>Don’t know 0</td>
</tr>
<tr>
<td>Family worker? 0</td>
<td></td>
</tr>
</tbody>
</table>

388. In example H.1, the question on the institutional sector (H.1.2) is very simple with two main categories, State/government and private, and is addressed to employees only. For many purposes this will suffice. However, as the above explanation indicates, there are subcategories under government that users might be interested in.
Example H.2

H.2.1 ARE/WERE YOU SELF-EMPLOYED OR WORKING FOR SOMEONE ELSE IN YOUR MAIN JOB?

1 □ SELF-EMPLOYED (NO PAID HELPER)
2 □ SELF-EMPLOYED (1-4 PAID HELPERS)
3 □ SELF-EMPLOYED (5 OR MORE PAID HELPERS)
4 □ EMPLOYEE (GOVT/GOV'T CORP)
5 □ EMPLOYEE (PRIVATE 1-4 WORKERS)
6 □ EMPLOYEE (PRIVATE 5 OR MORE WORKERS)
7 □ UNPAID FAMILY WORKER

H.2.2 DO YOU MOVE ALL YOUR GOODS DAILY; E.G. FRUITS, PEANUTS, NEWSPAPERS, CLOTHING, EQUIPMENT?

1 □ YES (INFORMAL TRADER) 2 □ NO

389. The question in example H.2 combines status in employment and number of employees in the establishment with institutional sector. The combination unduly complicates the question and could increase the time that it would take to complete the interview. The quality of responses should also be of concern; employees do not always know how many workers there are in the establishment. It would simplify the task of enumerators and help to improve the accuracy of responses if separate questions were presented for the different characteristics, as in example H.1.

Example H.3

H.3.1 Was ... Read list. Mark (X) one box.

☐ Employee of PRIVATE-FOR-PROFIT company or business or of an individual for wages, salary, or commission.
☐ Employee of a PRIVATE NOT-FOR-PROFIT, tax-exempt, for charitable organization.
☐ Local or territorial GOVERNMENT employee (territorial/commonwealth, etc.)
☐ Federal GOVERNMENT employee.
☐ SELF-EMPLOYED in own NOT INCORPORATED business, professional practice or farm.
☐ SELF-EMPLOYED in own INCORPORATED business, professional practice, or farm
☐ Working WITHOUT PAY in family business or farm.

390. In example H.3, the question provides more of the institutional sector categories than usual. It assumes that respondents (who may be reporting on behalf of other household members) know if their workplace is a “private, for-profit” company or a “private, not-for-profit” organization. It is strongly recommended that the understanding of any such categories be thoroughly tested before being introduced. “Government employees” as a group are separately identified, but “self-employed” is not categorized by whether with or without employees. Instead the self-employed are categorized by whether their business is incorporated or not.
Example H.4

| H.4.1 Were you self-employed or working for someone else in your (main) job last week? |
|---------------------------------|---------------------------------|
| **Self-employed**               | **Worked for someone else**     |
| ☐ With paid help (employer)     | ☐ As government employee        |
| ☐ Without paid help             | ☐ As employee of a foreign government |
|                                 | ☐ As employee of private company/person |
|                                 | ☐ As unpaid worker in family business/farm |
|                                 | ☐ Not stated                     |

391. The question in example H.4 is a reasonably standard “status in employment” question with “paid employees” split into two government categories and a private category for an institutional sector classification, in line with the earlier discussion.

4. Institutional sector: suggestions for enhancing the effectiveness of the questions

392. The institutional sector categories used in combination with status in employment seem to work well for a census. The major categories suggested for the topic can be identified by dividing the category “employees” in the status in employment classification into “government employees” and “other employees”. All other status in employment categories fall into the “other” category in the broad institutional sector classification. When formulating the relevant questions, the categories of the two variables can be combined with little difficulty as shown in the set of examples H.2 to H.4 above. Although that approach should not generally cause problems, it should be tested. Example H.4 may provide a good starting point for testing.

393. There is a tendency, when institutional sector is combined with other characteristics, such as status in employment, to use technical terms, as this helps to shorten the sentences or response categories. That temptation should be resisted and an effort should be made to use locally understood terminology to improve the quality and consistency of responses. Additionally, when two characteristics are combined in a question, some categories of each characteristic may be lost. The questions need to be carefully tested for their validity and for their potential uses in future analyses.

5. Institutional sector: issues of measurement

394. If the suggestion above to combine questions for institutional sector and status in employment is adopted, the main points noted for testing on institutional sector are the following:

(a) Respondents’ interpretation of government, particularly regarding “semi-government” or “parastatal” organizations. Identify necessary prompts and notes on the questionnaire, or instructions for manuals and training, to try to record the meaning of those terms as desired in that particular country;

(b) Test any subcategories of “government” or “other” (particularly “profit/non-profit” as in example H.3) that are to be identified separately.

C. INFORMAL SECTOR AND INFORMAL EMPLOYMENT

395. At the Seventeenth International Conference of Labour Statisticians in 2003, a new concept
of informal employment was added to the existing concept of employment in the informal sector.\(^{57}\) Both concepts are described in section C. The difference between the two concepts may be summarized as follows:

\(\text{(a) The informal sector is enterprise-based, and therefore informal sector employment}\)

relates to all people working in enterprises of a certain size, household ownership and other characteristics;

\(\text{(b) Informal employment is job-based and relates to all those who have a job with}\)

certain characteristics, generally those who are workers with no written employment contracts, and

those in employment that is not subject to labour legislation, pension or social security regulations, collective agreements and so on.

396. In countries where a programme of labour force surveys exists, it is suggested that the

survey be used, rather than a census, to collect information on the informal sector and on informal

employment. In countries where a short form and a long form are used in the census, it would be

more appropriate to include any questions on the informal sector and informal employment in the

long form, and not in the short form.

397. The size and structure of the informal sector is a topic of considerable interest and

importance in many countries. The sector is considered to engage 50 per cent or more of the

persons in non-agricultural employment, either as a main or as a secondary activity. A number of

countries are obtaining reasonable national estimates for the size and structure of the informal

sector, mostly using a household survey methodology. As such statistics are also in high demand

for different regions and special population groups, data analysts are very likely to attempt to

develop measurements of the informal sector from census results, even if those responsible for the

census do not plan for such estimates to be prepared.

398. The Fifteenth International Conference of Labour Statisticians adopted the first resolution

concerning statistics of employment in the informal sector (ILO, 1993b), including a detailed

review of definitions and data collection procedures. Precise identification of those working in the

sector cannot be achieved with a census, in part as a result of the limitation on the number of

questions that can be included in a census and as a result also of heavy reliance on third party

reporting for census data collection. It should be possible, however, to obtain some selected

indicators (the size of the sector and the distribution of activities and occupations within it) on at

least some segments of the informal sector. That is important because of the significance of

informal sector activities in many local communities.

399. As summarized in Principles and Recommendations, Revision 2, the informal sector is part

of the household sector\(^{58}\), one of the main categories of the institutional sector of employment

variable. Informal sector units are neither incorporated businesses, which have a legal entity

separate from their owners or shareholders, nor are they quasi-corporations, that is, production


\(^{58}\) See also Commission of the European Communities and others (1993), paras. 4.132-4.150 and 4.159-160, and chap. IV, annex.
units, which though neither incorporated nor registered, do keep a reasonably complete set of accounts so that the finances of the business are kept separate from those of the household(s) that owns or controls the business.

400. The informal sector was a recommended topic for the 2000 round of population censuses, but now an additional topic, namely informal employment, may also be considered for inclusion in the census.

401. As stated above, informal employment is a new concept in the international standards. As shown in figure V, the components of informal employment include the following:

(a) Own-account workers and employers employed in their own informal sector enterprises;
(b) Members of informal producers’ cooperatives, for example, cooperatives not formally established as legal entities;
(c) Own-account workers engaged in the production of goods exclusively for own final use by their household (for example, subsistence farming, do-it-yourself construction of own dwellings);
(d) Contributing family workers working in formal or informal sector enterprises;
(e) Employees holding informal jobs, whether employed by formal sector enterprises, informal sector enterprises or as paid domestic workers by households. Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave and the like).

**Figure V. Conceptual framework: informal employment**
### Production units by type

<table>
<thead>
<tr>
<th></th>
<th>Jobs by status in employment</th>
<th>Own-account workers</th>
<th>Employers</th>
<th>Contributing family workers</th>
<th>Employees</th>
<th>Members of producers’ cooperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Informal</td>
<td>Formal</td>
<td>Informal</td>
<td>Formal</td>
<td>Informal</td>
</tr>
<tr>
<td>Formal sector enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Informal sector enterprises</td>
<td></td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Households</td>
<td></td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>


**Note:** Cells shaded in dark grey refer to jobs that by definition do not exist in the type of production unit in question. Cells shaded in light grey refer to formal jobs. Unshaded cells represent the various types of informal jobs:

- Informal employment: Cells 1 to 6 and 8 to 10.
- Employment in the informal sector: Cells 3 to 8
- Informal employment outside the informal sector: Cells 1, 2, 9 and 10

**a** As defined by the Fifteenth International Conference of Labour Statisticians (excluding households employing paid domestic workers).

**b** Households producing goods exclusively for their own final use and households employing paid domestic workers

---

402. Therefore, to measure informal employment in a population census it is necessary to collect information, not only on the status in employment (whether paid employee, employer, own-account worker without employees, contributing family member, and so on), but also on the conditions of employment for employees, including security of tenure, access to pension or social security and paid leave.

403. Data on both informal sector employment and informal employment are needed since both types of employment exist and are of growing importance in the economy. The concept of informal employment is particularly important in relation to the quality of employment conditions, which is an aspect of decent work.

404. There is some informal employment outside the informal sector, including employees holding informal jobs in formal sector enterprises, paid domestic workers employed by households, contributing family workers working in formal sector enterprises and own-account workers engaged in the production of goods exclusively for own final use by their household.

405. For the 2010 round of censuses, any attempt at measuring informal employment and, to a lesser extent, informal sector employment may to a certain extent be experimental. It will therefore be useful to compare country experiences with those topics in order to improve measurement methodology over time.
1. **Informal sector: operational definition**

406. The population employed in the informal sector comprises all persons, irrespective of their status in employment, who during a given reference period were employed in at least one business unit or establishment for which business activities were carried out by households and for which no complete set of accounts was kept, that is, their business transactions cannot be totally and clearly separated from other household transactions (United Nations, 2008b, para. 2.339).

407. The population that is informally employed comprises those with the status in employment indicated in paragraph 401 above. For those who are paid employees, it is necessary to further identify those with reasonably secure employment contracts (that is, of long duration or even permanent contracts), whether they have social security protection and whether they are entitled to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, and so on).

2. **Informal sector: requisites for applying the definition**

408. The informal sector should not be confused with the concept of the “hidden” or “underground” economy or with illegal activities. In most countries, most if not all informal sector activities are legal and above ground, at least in the sense that the only laws and regulations broken will be those relating to operational licences or the payment of taxes and social security contributions.

409. The resolution adopted by the Fifteenth International Conference of Labour Statisticians in 1993 recognized a subdivision of the informal sector, as follows:

- (a) Informal own-account enterprises, which can employ contributing family workers and the occasional paid employees but do not have paid employees on a continuous basis;
- (b) Enterprises of informal employers, who can employ paid employees on a continuous basis, but usually only on a small scale, for example, with less than five employees.

Thus, there are own-account workers, contributing family workers and paid employees in the informal sector. The problem is how to identify, separately, individuals working in such activities when measuring employment in the informal sector.

410. For many people, informal sector activities are secondary in the sense that they may also have another job, and that job may often be considered the main one, even if it does not necessarily provide the highest income. Therefore, to obtain a more complete measure of the size of the sector, both the main and secondary jobs of the individual should be covered. Where possible, the population employed in the informal sector should be subclassified into two categories: (a) persons exclusively employed in the informal sector; and (b) persons employed both in and outside the informal sector.

3. **Informal sector: review of questions used in national censuses**

411. There is little experience with collecting data on the informal sector in censuses and no
experience in collecting data on informal employment. One may expect that few countries will wish to burden their census questionnaire with the additional questions on the characteristics of the job contract and conditions of work that are needed to measure informal jobs of employees. However, information from questions on some topics included in the census, such as status in employment and institutional sector, are directly relevant. For the measurement of informal employment, additional questions would be needed on the employment contract (whether it exists and if so, the duration) and on access to certain employee benefits. The following comments on possible questions deal primarily with the person’s main job (economic activity). The possibility of a question on secondary activities and a question at the household level respectively, with the aim of obtaining a better measure of both total informal sector employment and total informal employment, is covered under the suggestions for enhancing the effectiveness of the questions.

412. Questions relating to the person’s main employment. The informal sector is a characteristic of the private enterprise in which the person works. It is important to design and locate any proposed question so that it relates to the correct sub-group of the total population. It would be most efficient for the informal sector questions to follow an institutional sector question and for only those working for private enterprises to be directed to it.

Example I.1

413. In the example I.1, combining a “yes” response with several characteristics of the job complicates the basic question used to determine economic activity status. In defining the categories, both industry and institutional sector variables are combined. Terms like “formal” and “informal”, which are not easily or uniformly understood by fieldworkers (or even by statisticians in general) should not be used in a question without providing explanations. Moreover, the formulation “informal unregistered” may be incorrectly understood by some, who will suppose that there is an “informal registered” category somewhere. It is unlikely that the approach in example I.1 will yield reasonably accurate estimates of a sector for which measurement requires a more elaborate combination of institutional sector, industry and legal requirements.

Example I.2

414. To identify informal employment, one must first determine the status in employment and then, for paid employees, ask about characteristics of the employment contract and employment conditions.

59 The first time that the topic of the informal sector was included in Principles and Recommendations for Population and Housing Censuses was in Revision 1, issued in 1998. Thus this item has not appeared in previous United Nations assessments of the content of census questionnaires.
I.2.1 Was... Read list. Mark (X) one box.

- Employee of PRIVATE-FOR-PROFIT company or business or of an individual for wages, salary, or commission.
- Employee of a PRIVATE NOT-FOR-PROFIT, tax-exempt, for charitable organization.
- Local or territorial GOVERNMENT employee (territorial/commonwealth, etc.)
- Federal GOVERNMENT employee.
- SELF-EMPLOYED in own NOT INCORPORATED business, professional practice or farm.
- SELF-EMPLOYED in own INCORPORATED business, professional practice or farm
- Working WITHOUT PAY in family business or farm.

415. The question in example I.2 combines a partial informal sector identification within the sector classification by subdividing the self-employed by whether they work in a “not incorporated” business or an “incorporated” one. Making that distinction would assist greatly in identifying the self-employed in the informal sector but would not cover all the informal sector establishments. For example, unincorporated businesses keeping complete sets of accounts will not be identified, so they will be excluded; nor will any paid employees working in the informal sector be identified from question I.2.1.

416. Questions would need to be asked to determine whether an employment contract existed and, if so, its duration and whether the paid employee was covered by social security provisions, had paid annual leave, paid sick leave, and so forth.

417. Some have asked for the number of employees or of paid employees working at a person’s place of work. The results can be used for approximate informal sector identification.

Example I.3
418. In the flow of questions, all employed persons are asked to state the number of workers in the establishment where they work. Those working in the informal sector can then be approximated from a combination of responses to questions 1.3.1, 1.3.2 and 1.3.6 (employers and employees of the private sector, own-account workers and family workers, in enterprises that have five or fewer workers). It is not possible with this set of questions to distinguish between regular employees and other types of employees or unpaid family workers, and the only other criterion that can be used to define the informal sector, besides the number of workers, is whether deductions were made for the pension.

4. **Informal sector: suggestions for enhancing the effectiveness of the questions**

419. Information about a number of basic characteristics of the establishment is required, depending on the definition adopted and the degree of precision aimed for. For example, in addition to being privately owned, the unit (a) must be unincorporated; (b) must not keep separate accounts from household expenditures; and (c) must be small in size, that is, with respect to employment.

420. Any information that has been collected from population censuses can at best give only partial coverage of employment in the informal sector. Some countries have tried to identify segments of the informal sector from characteristics other than those discussed above. One example is using the location of the place of work, specifically by identifying those persons who have no fixed work location or those who are working at home. Another approach is to ask a specific question to identify one segment of the informal sector.
Example I.4

<table>
<thead>
<tr>
<th>I.4.1</th>
<th>Do you/does he/she move all your/his/her goods every night: e.g., fruits, nuts, lottery tickets, clothing/shoes, etc.?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes (informal trader)</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
</tr>
</tbody>
</table>

421. Example I.4 provides a very restricted view of the informal sector, and that may not have been the intent of the question. Non-retail activities (including handicrafts, bicycle repairs from home, taxi operation, etc.) would be excluded by this question. The question may be useful for broader planning in some countries with a particular focus on a subsector of the informal sector.

422. Almost all informal sector activities can be carried out either as a main or as a secondary activity for the individuals involved. In some countries the number engaged in the informal sector as a secondary activity is almost as large as those engaged in it as a main activity. With the difficult economic circumstances in many countries, it is only by engaging in secondary activities that many who work as paid employees as the main activity can survive and support their families. In many cases one member of a family will engage in the informal sector activity as a main activity and other household members will assist as secondary activities. It should be noted, however, that very few countries have asked census questions about secondary economic activities. One country asked the complete block of economic questions again with regard to secondary activities, but for most countries there will probably be insufficient space for that approach to be used. If the complete set of questions was asked for any secondary activities, the same procedures presented above could be used for identifying persons engaged in the informal sector as a secondary activity.

423. Given the limited space and already curtailed number of questions, even for better tested questions on economic characteristics, the topic of the informal sector is best left for sample surveys designed specifically to collect this type of data. It is definitely not possible to ask a simple question such as “Do you work in the informal sector?” and expect to obtain reasonable results. Thus, a probable approach would be to (a) examine what can be obtained by using the other topics and variables and their classifications which are included in the census, and (b) look into possible additional questions and response categories that may be used to give more refined or precise identification of those working in the informal sector. It is strongly recommended that countries use this approach. Those steps should be taken whether or not it is decided to make a serious, official attempt at obtaining informal sector measures from the census, as users of the census results are very likely to ask for estimates of informal sector employment from the census, both nationwide and in local labour markets.

424. If a more comprehensive measurement of employment in the informal sector is preferred (for example, in a census long form or for a country without a labour force survey), then example I.5, which is based on an actual labour force survey, might be considered. Similarly, example I.7 relates to the measurement of informal employment and is also drawn from a country’s labour force survey.

425. In example I.5, a series of filter questions gradually narrows the focus to the level of informal sector units. First, institutions and incorporated companies are identified separately from non-corporations (economic units that are owned by a sole person or conducted on a family basis). Units in the latter group may include quasi-corporations; the example has a question to identify how
their accounts are kept\textsuperscript{60} and hence whether they are informal or not. For informal sector units, there are questions that identify employment size, operational conditions and place of work. There are also questions on place of work for people in enterprises that are not in the informal sector. It is worth noting that the whole section applies to all people employed regardless of their status in employment. Finally, the example does not treat agricultural and farming activities as “informal sector”, but some countries may elect to include those activities in accordance with the flexibility outlined in the international standards.

\textbf{Example I.5}

**Hypothetical questions, recommended for testing and use in countries**

\begin{table}[h]
\begin{tabular}{|l|}
\hline
\textbf{I.5.1 What is the name of the enterprise, business or institution you are working for?} \\
(Please write complete name of the enterprise, business or institution) \\
1 \hfill \text{______________________________________} \hfill 2 \hfill The business does not have a trade name \hfill 3 \hfill It is a domestic unit (only for paid domestic workers) \hfill \text{→ Go to the next section of the questionnaire} \hfill 9 \hfill Does not know \hfill \\
\hline
\textbf{I.5.2 What does the enterprise, business or institution do?} \\
(Please give details of type and materials of goods produced or services provided) \\
\hline
\hline
\textbf{I.5.3 FOR INTERVIEWERS ONLY:} \\
(Please classify according to answers given in I.5.1 and I.5.2) \\
1 \hfill \text{It is an agricultural or farming activity} \hfill \text{→ Go to the next section of the questionnaire} \\
2 \hfill \text{It is an educational institution, or a hospital or a clinic} \hfill \text{→ Go to I.5.5} \\
3 \hfill \text{It is a public institution or a non-profit organization} \hfill \text{→ Go to I.5.5} \\
4 \hfill \text{It is a private activity or firm} \hfill \text{→ Continue} \\
5 \hfill \text{Cannot be determined yet} \hfill \text{→ Continue} \\
\hline
\textbf{I.5.4 Is this business ...} \\
(Please read the options and circle the one selected) \\
1 \hfill \text{An independent, personal or family business} \hfill \text{→ Go to I.5.6} \\
2 \hfill \text{A private incorporated company (trading company, corporation or corporations} \\
\quad \text{under other modality, banking company)?} \hfill \text{→ Go to I.5.10} \\
3 \hfill \text{None of the above} \hfill \text{→ Continue} \\
\hline
\textbf{I.5.5 Do you work for......} \\
1 \hfill \text{A government agency} \hfill \text{→ Go to I.5.10} \\
2 \hfill \text{Non-government-managed institution} \hfill \text{→ Go to I.5.10} \\
9 \hfill \text{Does not know} \hfill \text{→ Go to I.5.10} \\
\hline
\textbf{I.5.6 How many people work in this business or activity including you?} \\
(Please read the options until a response is given and circle the one selected) \\
1 \hfill \text{Only one person} \\
2 \hfill \text{Two to five} \\
3 \hfill \text{Six to ten} \\
4 \hfill \text{Eleven to fifteen} \\
5 \hfill \text{More than fifteen} \\
9 \hfill \text{Does not know} \\
\hline
\end{tabular}
\end{table}

\textsuperscript{60} In many countries, the number of quasi-corporations is low, and a considerable number of countries that measure employment in the informal sector in their surveys do not ask about account-keeping practices.
1.5.7 This business or economic activity....
(Please read the options and circle the one selected)
1 Has a premise, site or office → Go to 1.5.9
2 Does not have a site, nor office nor premise → Continue
9 Does not know → Go to the next section of the questionnaire

1.5.8 So, where do you perform your work?
(Please listen and circle the option mentioned)
01 Door to door
02 In the streets without a fixed place
03 In the street but always in the same place
04 Non-motorized vehicle, (bicycle, tricycle, cart, boat, etc.)
05 Motor vehicle, automobile, motorcycle, light truck, etc.
06 At own address without any special equipment
07 At own address with special equipment
08 At the owner’s address or the owner’s property, or at a place requested by client
09 Other site
99 Does not know

1.5.9 In this business or activity ...
(Please read the options and circle the one selected)
1 There are book accounts kept or there are hired accountant services
2 Only a notebook or a booklet to write the business records is kept
3 No accounting records are kept
9 Does not know

1.5.10 Where do you usually work?
(Please read the options and circle the one selected)
1 At the facilities (or in the vehicles) of ___________________________________
(Please mention the firm’s name given in question I.5.1)
2 At the facilities of another firm or enterprise, or at any institution where you are sent
3 Visiting at clients’ location
4 At a construction site
9 Does not know

426. For most small business operators in the informal sector, whether employers or own-account workers, the questions in example 1.5 would not be difficult. For contributing family workers, interviewers would have to be trained to ensure that the answers will be the same as for the person(s), usually in the same household, who is/are the self-employed operator(s) of the same business. Paid employee respondents are much less likely to have the required knowledge about the characteristics of the business activity, such as whether the business is registered as a company or keeps a full set of accounts. It is preferable to measure employment size in terms of the number of regular paid employees, but employee respondents may not correctly differentiate between regular paid employees and unpaid family workers, although they may know approximately how many workers are engaged on a continuous basis. Since the reply to questions other than that concerning the number of employees will most often be “Don’t know”, it should be established through testing whether it is worthwhile to ask the complete set of questions of the employees. Problems are likely to be even more severe in third party reporting, that is, if another person answers questions on behalf of the actual respondent.
Identification of informal sector activities at the household level. In many cases informal sector activity is a household activity with several members of the household engaged, some full-time and some part-time. Identification of the number of households with some engagement in informal sector activity, preferably by type of household and activity, is extremely valuable information in itself and is also useful for creating a sample frame for later informal sector surveys.

Household information can be obtained during listing preparations for the census, provided the following problems, if they arise, can be resolved:

(a) It is often difficult to match the individual household information from the listing with the replies obtained for the household during the census enumeration;
(b) Informal sector activities are often intermittent. People stop and start easily, particularly with respect to the smaller informal sector activities and especially those that are seasonal. Listing information collected over a year or more prior to the census, as is often the case, may not relate to economic activities at the time of enumeration.

Thus although listing data can be useful for both the identification of the informal sector and for the provision of information on other enterprise characteristics (see Principles and Recommendations, Revision 2, paras.1.51-1.52), it is far more useful to ask the question during the actual enumeration. The following question is hypothetical and untested, and is provided only for illustrative purposes.

Example I.6
Hypothetical question, recommended for testing and use in countries

<table>
<thead>
<tr>
<th>I.6.1: Did any member of the household engage in any of the following small-scale business activities in the last seven days?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Making or repairing any items (e.g. clothing, pots, hats, furniture, metal products)?</td>
</tr>
<tr>
<td>☐ Preparing food or beer for sale?</td>
</tr>
<tr>
<td>☐ Selling food, clothing etc. at the market, in a small shop etc?</td>
</tr>
<tr>
<td>☐ Transporting people or goods, using taxis, hand carts or the like?</td>
</tr>
</tbody>
</table>

Interviewer: For each of the above record one of the following codes

Yes ......1
No ......2

Note: Must be own or family business with less than five employees on a regular basis. Not working as a paid employee.

The question in example I.6 targets particular types of informal sector activities. This is an effective approach and it can be extended to other categories. It would have to be changed for each country to fit local examples and priorities. It could also be asked generally about small-scale business activities with a variety of examples.

Example I.7 is a set of questions that were designed to measure informal employment in a country’s labour force survey. Such a detailed set of questions will generally not be appropriate for inclusion in a population census, but they may be useful if a programme of labour force surveys does not exist.
Example I.7
Hypothetical questions, recommended for testing and use in countries

<table>
<thead>
<tr>
<th>1.7.1</th>
<th>Is [Name] employed on the basis of a contract or agreement?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes 1</td>
<td>(Continue)</td>
</tr>
<tr>
<td>No 2</td>
<td>(Go to I.7.4)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.7.2</th>
<th>Is the contract or agreement of a limited duration?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes 1</td>
<td></td>
</tr>
<tr>
<td>No 2</td>
<td>(Go to next section)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.7.3</th>
<th>What is the duration of the contract or agreement?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>1</td>
</tr>
<tr>
<td>Less than a month</td>
<td>2</td>
</tr>
<tr>
<td>1 to 2 months</td>
<td>3</td>
</tr>
<tr>
<td>3 to 6 months</td>
<td>4</td>
</tr>
<tr>
<td>7 to 12 months</td>
<td>5</td>
</tr>
<tr>
<td>Over 12 months</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.7.4</th>
<th>Does [Name]'s employer pay social security contributions for [Name] (pension fund, unemployment fund)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, certainly 1</td>
<td></td>
</tr>
<tr>
<td>Yes, possibly 2</td>
<td></td>
</tr>
<tr>
<td>No 3</td>
<td></td>
</tr>
<tr>
<td>Don’t know 4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.7.5</th>
<th>Does [Name] benefit from paid annual leave or get compensation for unused leave?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes 1</td>
<td></td>
</tr>
<tr>
<td>No 2</td>
<td></td>
</tr>
<tr>
<td>Don’t know 3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.7.6</th>
<th>Does [Name] benefit from paid sick leave in case of illness?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes 1</td>
<td></td>
</tr>
<tr>
<td>No 2</td>
<td></td>
</tr>
<tr>
<td>Don’t know 3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.7.7</th>
<th>(For women only) Does [Name] benefit from maternity leave if she wishes to have a baby?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes 1</td>
<td></td>
</tr>
<tr>
<td>No 2</td>
<td></td>
</tr>
<tr>
<td>Don’t know 3</td>
<td></td>
</tr>
</tbody>
</table>

5. Informal sector: issues of measurement

432. As this is a new topic in most countries and, in particular, in a census, any questions related to informal employment or the informal sector should be subjected to thorough testing. It is strongly suggested that a test of any such questions be followed by complete re-interviews using a detailed household survey questionnaire to check whether the identified informal sector activities really are informal sector activities, whether any relevant informal sector activities were missed and whether the employment was really informal in nature. Tests would need to cover a variety of rural and urban areas and various types of informal sector activities. They should be combined with test derivations of informal categories during processing and analysis, as explained below.

433. At present the only reasonable option in many censuses is to derive estimates of employment in the informal sector from answers to other questions, as no specific question designed to identify the informal sector is known to have been asked. The responses to the status in employment question, for example, provide the most useful information for such derivations. The self-employed with no employees (own-account workers) and contributing family worker categories are the most useful ones for identifying possible informal sector workers. If those engaged in agricultural work can be excluded by using the appropriate industry codes or other means, then most of the remaining persons in employment in the two categories will be working in the informal sector in many developing countries. Careful consideration of other industry and occupation categories, combined with local knowledge, may lead to the exclusion of other jobs and
a more refined measure. However, similar possibilities are difficult to find for the self-employed with employees and for paid employees. Thus, this approach is useful for obtaining rough measures for only two components of the informal sector workforce. However, for some countries it may be the only approach they can afford, and it may be better than making no efforts at all. The estimates can be further refined if the number of employees (less than or more than the size limit defined for the informal sector) is included in the status in employment categories.

434. Similarly, estimates of some of the components of informal employment, as shown in figure V, can be made from the answers to the question on status in employment. However, the identification of employees with informal jobs will not be possible without more detailed questions, and it will still be necessary to identify those employed in informal sector enterprises.

435. In most of the countries with a large informal sector, analysts (official or otherwise) have frequently tried to obtain statistics on the informal sector from previous censuses by making use of statistics classified according to sector, occupation, industry and status in employment, if available, and on that basis derive the groups that they think will approximate the informal sector or some of its activities. For example, it would be possible to take the self-employed who are coded under the industry code “street sellers and hawkers” to approximate that segment of the informal sector.

436. It is easier initially to identify what is not in the informal sector, and to make sure that the persons engaged in those activities—formal sector and subsistence activities—can be identified separately and thus excluded from consideration either for additional questions and/or during the tabulation stage. The following two groups can clearly be excluded from the informal sector or can be separately identified, using information obtained with the questions on status in employment, sector of employment, industry and occupation:

(a) **Employees of recognizable formal institutions.** All paid employees working for the government, or semi-government or parastatal enterprises (or NGOs or international organizations where significant). These employees can be identified principally from the appropriate sector and industry categories;

(b) **Persons engaged in agricultural or non-market production activities** as own-account workers or paid employees, or as private household employees;

   (i) **Agricultural activities.** All agricultural activities, whether undertaken for home consumption or for the market, including those carried out in unincorporated enterprises, which are part of the household sector, are usually excluded from the informal sector. Population censuses can and usually do, however, provide valuable measures for the identification of persons engaged in such activities. Industry classifications based on ISIC, Revision 4, may be constructed so as to allow separate identification of subsistence or traditional agriculture and commercial agriculture. Occupational classifications based on ISCO-08 may also allow for a distinction between market-oriented agricultural workers and subsistence agricultural workers, where that distinction is important. It is recommended that, if possible, persons engaged in agricultural activities in the household sector for home consumption should be identified separately from those involved in production for the market, and excluded from statistics and discussion on the informal sector;

   (ii) **Non-market production activities.** These activities include the processing of primary products for home consumption, such as making butter from milk; making oil from oil seeds; making mats from straw or reeds; weaving cloth from
fibres; and building or carrying out major repairs on the family farm or house, for example, making a fence or digging an irrigation ditch; and fetching water and collecting firewood. Persons engaged in the preceding activities are to be counted as employed if such activities are important in the national economy and should be included in the household sector. Since these non-market activities are also closely tied to agricultural activities, it is recommended that they not be included in the informal sector. Such processing and building activities, however, are often done partly for sale (to be considered for inclusion in the informal sector) and partly for home consumption (not informal sector). They may be the only or main economic activity in farming communities during certain periods, such as in the agricultural off season. Such activities cannot usually be separately identified by the use of standard industry and occupation codes. Jobs in establishments whose only or main activities, during the reference period for data on economic characteristics, consist of processing or building for own use should be coded to the appropriate industry category (for example, manufacturing, construction). Jobs that only involve processing or construction work should similarly be coded to the appropriate occupation group (for example, handicraft workers, building construction labourers). Workers in these jobs will be difficult to differentiate from those who perform similar work for a market and are thus to be considered for inclusion in the informal sector. The issues outlined above should be carefully considered in the design of census questionnaires and procedures, particularly in countries where such non-market activities are significant. Interviewers will need guidance on how to record specific situations, to ensure that special codes are used to determine whether jobs should be classified in the informal sector. Note that questions on status in employment may be designed so as to identify persons working on their own or family farm separately from those working in small-scale non-agricultural businesses that may be in the informal sector;

(iii) **Employees of private households.** Paid employees of private households, such as maids, cleaners, guards and so forth, are included in the household sector and are in some countries considered to be part of the informal sector. Consequently, the resolution (see ILO, 1993b) recommends that they should then be shown separately. A special industry code is usually used for such employees, for example code 9500 in ISIC, Revision 3 (code 9700 in ISIC, Revision 4). The occupational classification should ideally have separate codes for each of the occupations, so that this component of household sector employment can easily be identified through cross-classification with the industry variable. Then the users of the statistics have the option of keeping them within or outside the informal sector according to descriptive or analytical needs.

437. Informal sector employment is derived as follows:

\[
\text{Total Workers} - \text{RIC}_p - \text{OBCA}_p - \text{COM}_{p \geq x} = \text{Workers in private businesses}
\]

where \( \text{RIC}_p = \) Persons working in registered incorporated companies;

\( \text{OBCA}_p = \) Persons working in other enterprises (businesses) with complete accounts;

and \( \text{COM}_{p \geq x} = \) Persons working in companies with \( x \) or more paid employees on a continuous basis.
438. The specified exclusions cannot usually be determined from the answers to questions on other topics included in the census. Relevant questions would thus have to be asked, and the types of questions possible and whether respondents can be expected to have that knowledge were considered previously in the present chapter.

439. The upper limit on the number of employees for an own-account enterprise to be regarded as an enterprise of the informal sector is usually decided in each country according to the local circumstances. If there is a business register that supports employer- and/or establishment-based statistical surveys, it often includes only establishments above a certain size, often expressed in terms of the number of paid employees. If that is the case then the informal sector should be complimentary to the scope of that register. In countries where there is a value added tax (VAT) and a lower limit of total sales for VAT registration, then such registration may be a possible criterion for defining the scope of the informal sector, at least if no other reasonable formalization criteria are available (note that with VAT non-registration as the criterion there will be informal sector units with total sales larger than the threshold for VAT registration, either because of deliberate tax evasion or because the registration requirement has not yet been complied with). Surveys have shown that the number of informal sector enterprises declines rapidly as the number of paid employees on a continuous basis increases, since most enterprises with high levels of employment are usually not informal for one of the reasons given above.
VIII. WORKING TIME AND INCOME

440. In general, the measurement of working time and of income from employment should relate to the total hours or income over all jobs. However, often those characteristics are measured only for the main or “reference” job. Once the main job is identified, it is essential that all characteristics refer to the same main job. Questionnaire design must be such as not to confuse respondents or interviewers on that point. When any secondary activities are identified they must be clearly separated and placed so as not to confuse the flow of questions relating to the main job. Doing so is not usually difficult with current activity (see examples) but can be difficult with usual activity.

A. WORKING TIME

441. “Working time” is a very valuable topic for many countries, both developed and developing. Working time covers both working hours and working time arrangements. A growing proportion of employees and self-employed persons have non-standard working hours or arrangements. In those situations, observing only the number of persons employed will provide a rough estimate of the total amount of work done. However, it is necessary to collect information about the hours actually worked in all jobs by those employed to obtain estimates of labour input with any reasonable degree of precision and to provide comparability over time and between groups. Information about working time is also essential for studies of its relationship with income, underemployment and productivity; for some national accounts measures; and for assessment of new working time arrangements and the extent to which excessive hours are worked. A question about working time was asked in about half of countries in the 2000 round of censuses. It is recommended that working time for all economic activities, main as well as secondary, be recorded for all employed persons and not just for paid employees.61

442. Statistics on normal hours of work are useful to users who are interested in the prevailing working time situation, especially in comparison to situations when respondents were absent from work for all or part of the reference period (for example, due to illness or vacation) or worked longer hours in the reference week. As with the measurement of hours actually worked (see below), the collection of data on normal hours of work should preferably cover all jobs (if more than one) and should be collected for all employed persons and not just for employees.

443. Many countries use household surveys to obtain national estimates of working time. Conceptually better measures and a larger variety of measures can be obtained by the more thorough yet more time-consuming methodology that such surveys can use, in particular to measure the key concept of hours actually worked. However, it is primarily through a census that measures for small areas and for small groups of the employed population may be obtained. Measures of working time, such as hours paid for, contractual hours, overtime, absence and the like, from surveys of establishments or enterprises usually cover only large, formal employers and cannot easily provide breakdowns by age, sex or occupation. They may also measure working time only in respect of jobs and not persons.

61 In 2008 at the Eighteenth International Conference of Labour Statisticians, revised international standards concerning the measurement of working time will be discussed. The proposals will include the additional measurement of time on activities outside the SNA operational production boundary, such as cleaning, cooking, repairs, transport and care of dependent persons, which is a significant proportion of often unmeasured productive activity.
1. Working time: operational definition

444. Working time is the total time actually spent producing goods and services or performing activities related to or enhancing production, including time spent on short pauses that may be in the nature of work-related breaks or rest periods during the reference period adopted for economic activity in the census. It is recommended that if the reference period is short, for example the week preceding the census, working time should be measured in hours, as hours actually worked. If the reference period is long, for example the 12 months preceding the census, working time should be measured in units of weeks, or of days where feasible. It is, however, not recommended that any attempt be made to establish the actual hours worked for such a long period, as recall and calculation errors are likely to be high. The preferred measure in that instance should be hours usually worked.

2. Working time: requisites for applying the definition

445. Working time should include the total time spent producing goods or services during the reference period, including any overtime, time spent in preparation for work (which includes training to facilitate production for the economic unit) or in maintenance or repair of equipment, as well as short breaks. For example, teachers should include their preparation and similar work-related time in addition to the time actually spent in front of a class, and so should persons on call in essential services (such as health and security) whose movements and/or behaviour are restricted even if not at work. Hawkers and other sales workers should include time waiting or looking for customers. However, long meal breaks should be excluded as should time off for holidays, vacation, sickness or industrial disputes. Time spent commuting (to the workplace and back) should be excluded unless work is carried out, such as during a train ride, and travelling is part of the job, for example, for taxi drivers, and workers travelling to or between variable work sites, such as field projects, fishing areas or meetings. The total working time should include all activities defined as economic activities as detailed earlier, and if practical, time spent on secondary activities should be recorded separately from the time spent on the main activity. Separate recording will allow for more accurate tracking of time and will also provide a sound basis for analyses comparing wages and salaries for different categories of workers.

446. If the block of economic questions asks about current activity, then the question(s) about working time should also relate to the current (short) reference period. The objective thus is to measure hours actually worked in the current reference period. Such measures will include some zero hours for persons temporarily absent from work (on holidays, sick leave, and so forth) throughout the reference period. Reduced hours as compared to “usual” hours will also be recorded if any part of the reference period is taken, for example, for holidays or sick leave. All overtime, paid or unpaid, should be included. Thus the concept of working time as it relates to the current (short) reference period is a measure of hours actually worked rather than hours paid for or normal hours established by laws or regulations.

447. Although Principles and Recommendations, Revision 2 (see paras. 2.323-2.325) recommends measuring the hours actually worked during the short period just before the census reference date, some data users may prefer hours usually worked in a corresponding short reference period. That would be a measure of the hours worked during a normal or typical week, including overtime hours regularly worked, whether paid or unpaid. Days and hours not usually worked should be excluded as should unusual periods of overtime. In some censuses, questions have been asked about both actual and usual hours worked. Users of the statistics should be
consulted regarding the most useful measure(s). Reference should also be made to the ILO international standards for measurement of working time (expected to be updated in December 2008 as a resolution of the International Conference of Labour Statisticians).62

3. Working time: review of questions used in national censuses

448. One or more questions on working time have been asked in censuses, as follows:

(a) A single question on actual or usual working time during the reference period, on the main activity or all economic activities combined (examples J.1 to J.3);

(b) Separate questions on working time concepts for the main activity and for other (secondary) activities (example J.4).

449. When the questionnaire uses only a single question, the accuracy of the answers for working time will usually be poor. Asking and recording the hours actually worked each day in the reference period and in each job can improve the accuracy. However, that procedure takes more time and space on the questionnaire than is often possible in a census operation.

Example J.1

Example J.2

450. The question in example J.1 combines a basic activity question with the collection of data on working hours. Although J.1.1 prompts very well on some of the problem categories of economic activity and the subsequent questions (not shown) identify temporary absence from work and probe for unemployment, it does not allow for recalling other activities in addition to the main economic activity. In this setup, the emphasis is more on determining who did “any work” than at measuring working time.

Example J.2

451. Question J.2.1 deals with hours actually worked. It is not clear however, whether all work done or only the main job is to be included. The responses to this question will most likely be mixed, with some individuals focusing on one job and others including all jobs. Training of interviewers will need to aim at standardizing the way respondents are guided to provide the intended information.

Example J.3

452. Question J.3 makes it clear that all employment should be included. It deals with hours usually worked rather than hours actually worked. Depending on how common multiple job holding is, it may be more effective to separate the main job from other jobs, to help respondents’ recall.

453. The questionnaire from which example J.4 was taken was designed for data processing using an optical mark reader (OMR). It has a relatively detailed question on working hours and asks for main and secondary activities separately. It asks for the hours usually worked using the term “normal” hours, rather than the hours actually worked in the last week. A complete series of questions would be to ask for the actual hours first for both main and secondary activities separately and then the hours normally worked. The sequence of actual followed by usual hours has been shown to improve accuracy in labour force surveys. Although the questions in example J.4 prompt for the inclusion of overtime, the example might also have benefited from the inclusion of prompts on types of economic activities, as in example J.1 above.
Example J.4

J.4.1 How many paid jobs did you work at during the week of 13th - 19th May?

□ jobs

1 2 3 4 5 6

J.4.2 How many hours do you normally work in your (main) job in a typical week, including overtime whether you are paid for it or not?

□ hours 0 Not stated

0 1 2 3 4 5 6 7 8 9

FOR PERSONS WITH 2 OR MORE JOBS

J.4.3 Excluding your main job, how many paid hours do you normally work in your other job(s) in a typical week?

□ paid hours, other job(s) 0 Not stated

0 1 2 3 4 5 6 7 8 9

4. Working time: suggestions for enhancing the effectiveness of the questions
Example J.5
Hypothetical questions on hours actually worked, recommended for testing and use in countries

<table>
<thead>
<tr>
<th>HOURS ACTUALLY WORKED</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.5.1 On which days did [YOU] work last week (in all jobs)?</td>
</tr>
<tr>
<td>Mon</td>
</tr>
<tr>
<td>Wed</td>
</tr>
<tr>
<td>Fri</td>
</tr>
<tr>
<td>Sun</td>
</tr>
<tr>
<td>Tue</td>
</tr>
<tr>
<td>Thurs</td>
</tr>
<tr>
<td>Sat</td>
</tr>
</tbody>
</table>

J.5.2 Did [YOU] have any time off from [YOUR] job(s) on those days?

| Yes | No |

J.5.3 Did [YOU] work any paid or unpaid overtime on any day last week?

| Yes | No | Other |

J.5.4 How many hours did [YOU] actually work last week (not counting time off but counting overtime)?

454. Example J.5 asks respondents to recall the days on which they worked, whether there was any time off and whether overtime was worked. Those questions are likely to produce a more accurate recall of the actual hours worked in addition to providing information about overtime.

455. It is recommended to ask and record an estimate of the number of hours actually worked in all jobs. The answer recorded should normally be rounded to the nearest hour as working time expressed as decimals or fractions of an hour may be inaccurate. The asking and recording of individual hours also allows a review of the detailed distribution of working hours. That information will be particularly useful if some users of employment statistics wish to set a limit higher than the recommended one-hour criterion for the minimum hours worked for those persons who are to be considered as employed in certain tabulations, to analyse full- and part-time work or excessive working hours, or to measure working time in relation to activities outside the SNA operational production boundary, including “unpaid non-market services”.

456. However, in some countries pre-coded ranges have been used for the answers to the question on working time to help the respondents. If that is done, then it is desirable to provide categories (based on national experience, such as from the labour force surveys, if any) for replies that cluster on particular values, such as 35, 40 or 45 hours per week. That procedure may, however, provide another source of error as some interviewers with inadequate training may record the wrong category. There will also be a rounding error, as the mid-point of each range has to be taken as the basis for the calculation of averages and other descriptive statistics.

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63 The available evidence, usually from labour force surveys, of the distribution of workers according to hours actually worked has generally shown very low numbers of persons working very few hours per week, for example, below 10 hours.
Example J.6

Hypothetical questions on hours usually worked, recommended for testing and use in countries

<table>
<thead>
<tr>
<th>HOURS USUALLY WORKED</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.6.1 How many hours a week do [YOU] usually work in your (main) job (business), that is, excluding meal breaks and overtime, whether paid or unpaid? □ [A]</td>
</tr>
<tr>
<td>Interviewer: If work pattern is not based on a week, make notes and give an average over the last four weeks</td>
</tr>
<tr>
<td>J.6.2 In addition to this, do [YOU] work paid overtime? Regularly □ Occasionaly □ Never □</td>
</tr>
<tr>
<td>J.6.3 On average, how many hours of paid overtime do [YOU] usually work in a week? □ [B]</td>
</tr>
<tr>
<td>J.6.4 Do [YOU] work unpaid overtime? Regularly □ Occasionally □ Never □</td>
</tr>
<tr>
<td>J.6.5 On average, how many hours of unpaid overtime do [YOU] usually work in a week? □ [C]</td>
</tr>
<tr>
<td>Interviewer: Total [A] + [B] + [C] → □</td>
</tr>
</tbody>
</table>

457. Example J.6 provides a model that will allow for the collection of data on the amount of paid and unpaid overtime usually worked in addition to usually worked hours.

458. It is not recommended that a question using the categories “part-time” or “full-time” be included in the questionnaire. Even with notes to interviewers, respondents will often apply their own inconsistent interpretations of these terms. Output categories for tabulations can of course be called full time and part time after reviewing the overall distribution of the working hours concept(s) measured in the census.

5. Working time: issues of measurement

459. For countries where working time is a new census topic, it is strongly recommended that it be included in the pre-testing programme. Testing should focus on evaluating the accuracy of the answers by conducting a second interview using more detailed household survey questions and the wording, layout, prompts and examples most suitable for improving accuracy.

460. It is, however, worthwhile to train interviewers to ask about each day and then add up the hours for all the days in the week before recording the answer. For rural farmers in many countries, interviewers will have to impute the time from other information, as such workers often do not have clocks and watches and can only answer in terms of sunrise, sunset, half-days and so forth. The time spent on non-market activities, such as production for home consumption and fetching firewood and water, will be very difficult to assess accurately. In their census, some countries collect working time only for paid employees and rely on other sources, such as labour
force or time-use surveys, for measuring the hours worked of persons with less standardized or supervised activities.

B. INCOME

461. Income is not a common topic in population censuses. It was asked in only about a quarter of the countries in the 2000 round of censuses. The topic is recommended in Principles and Recommendations, Revision 2, but that source states that the “collection of reliable data on income, especially income from self-employment and property income, is extremely difficult in general field enquiries, particularly in population censuses. The inclusion of non-cash income further compounds the difficulties. Collection of income data in a population census, even when confined to cash income, present special problems in terms of burden of work, response errors, and so forth. Therefore this topic is generally considered more suitable in a sample survey of households. Depending on the national requirements, countries may nonetheless wish to obtain limited information on cash income” (see para. 2.332).

462. The value of home production and the value of income paid in kind (such as food, clothing and accommodation), are extremely important components of the total income for individuals and households in most developing countries, but measurement is extremely difficult and complex even in household surveys. Asking questions on those categories is not the most efficient use of resources in respect of interviewing time and is therefore not recommended for a population census.

463. The measurement of cash income itself raises many problems, and the major ones are covered below. For economically active persons it is recommended that only earnings over all jobs be collected for the individual. However, it is also recommended that, if possible, an item of total household income be collected, including any cash income from interest, dividends, rent, social security benefits, pension and life insurance annuity benefits.

464. It should be noted that censuses in some developed countries have a long history of collecting detailed cash income information at the individual level. When detailed data are collected by source of the income, the results will allow the identification of economically depressed areas in addition to providing statistics on the source of the incomes in these areas. That information, used together with other characteristics from the census, will help in the development of social and economic policies to assist such areas and/or to monitor the effects of existing programmes to help them.

465. Income is often thought to be a sensitive topic, but the degree of sensitivity seems to vary significantly between countries as well as between groups within the same country. Some groups, such as owners of relatively large businesses, sometimes refuse to answer questions on the topic in any format, but paid employees and informal sector operators have been generally cooperative in most countries, within the limitations of their capacity to provide accurate estimates of their income, since they may not have written records. In at least one developed country, arrangements are made with the approval of respondents to access income tax records directly from the tax office in order to minimize respondent reporting burden and to improve data quality.

1. Income: operational definition

466. Income can be defined as follows:
For workers in paid employment, gross monthly earnings in cash and/or in kind from the work performed by each employed person. The cash\textsuperscript{64} income figure should also always be the gross amount (that is, before deducting any contributions to pay income tax, social security, pension, or union dues and similar types of deductions). For employees in the formal sector, their gross cash earnings may be available from their pay slips. The concept of employment-related income of workers in paid employment is a broader concept than earnings and includes all benefits received from employment-related social security (net of contributions made) as well as benefits received as a result of previous employment;

(b) For the self-employed, income from employment should be the gross output or takings, minus any operating expenses (for example, for staff wages, materials and supplies, electricity, gas, water). In theory, depreciation of capital assets and production subsidies should also be deducted, but it will be possible to obtain that information only from the self-employed who operate formal businesses with formal accounts. As with earnings, the income from the employment of the self-employed should be recorded gross, that is, before any deductions are made for contribution to income taxes, social security, pension or any other similar types of contributions. Employment-related income for the self-employed includes all employment-related social security benefits (net of contributions) as well as benefits received as a result of previous employment;

(c) The total annual income in cash and/or in kind of households regardless of source. In addition to the employment-related income of employed members, the total income of the household should include income that does not result from work, whether it is received by persons who work or not. The total would therefore include, for example, interest, dividends, rent, social security benefits that are not covered in (a) or (b) above, pensions, transfers (such as remittances and income from begging) and life insurance annuity benefits of all members of the household.

2. Income: requisites for applying the definition

What income to measure is a major conceptual and practical issue. It is useful to distinguish between the following:

- (a) Income from paid employment;
- (b) Income from self-employment;
- (c) Other income (investment income, including rental income; income from social security and insurance schemes; pensions; and so forth).

The concepts involved in determining income are not simple to grasp, and respondents may be unable or unwilling to provide exact information. Even if respondents are willing to provide the information, it may rarely be possible for employees to report gross figures as they are most commonly aware of only the net amounts received, or for the self-employed to report their mixed income for the relevant reference period. If the aim is to measure solely income from current or usual employment, then a measure of items (a) and (b) is sufficient and the questions need be targeted only at the employed population (current or usual). If welfare is more the concern, then the other incomes must be included and the question addressed to all individuals. However, that will make the questionnaire more complex. Note that rental income is not uncommon in many low-income areas of developing countries where a significant number of the aged or widows often earn a living by the renting of rooms and the like. Obtaining estimates of

\textsuperscript{64} The term “cash” includes cheques, bank deposits and other forms of monetary income.
the rental income is, however, often very difficult.

469. One approach is to ask individuals for income from paid employment and self-employment and to obtain a broad measure of total cash income at the household level.

470. Ideally, current income would be measured with current employment and usual income with usual employment; that is to say, the income measure should correspond to the employment measure. Except for some regularly paid employees, very short-term income measures (for example, for the last week or the last month) can often be unrepresentative. Rarely is the same reference period for income received suitable for all the employed. For owners of large businesses, a year is often the most convenient as they can obtain that information from their accounts or tax records. A year is also the best period for income from activities with significant seasonal variations in earnings, such as agriculture. However, for small businesses with limited records, particularly in the informal sector, such a yearly measure is almost impossible to report. For employees an annual figure is also difficult to report unless they have a copy of the tax return easily available. One possibility is to vary the period according to the type of employment with either a current or usual measure. However, that approach would be more complex and take more space than is available on most census questionnaires.

471. An approach that can be adopted is to take a current, longer period, usually a month, and ask for details about incomes from all types of employment with notes to interviewers to multiply daily earnings and divide annual earnings, in order to obtain a monthly average. That operation does of course add to the complexity and inaccuracy of the resulting estimates. Another approach is to allow flexible reporting periods and later standardize the income periods to monthly figures.

472. It is further recommended that the income from all work activities be collected, rather than for the main activity only. In censuses that include questions about secondary activity, it is very desirable to collect data on income from both the main and the secondary activity separately, and to include both income in kind and income in cash. That is particularly so in countries where the informal sector is important and often provides a secondary activity. International experience suggests that questions on secondary activities are not well reported in household-based data collections.

3. Income: review of questions used in national censuses

473. Pre-coding of income ranges is often used, particularly in some developed countries. It is easier to record the answers when pre-coded ranges are given for the weekly, monthly and annual figures. It is also thought that respondents are more willing to give a range for income than they are to state the precise value. However, there is a loss of accuracy in obtaining ranges only, as the calculation of average incomes and the like would normally have to be based on the midpoint of the range. If ranges are to be used, then good base data on the distribution must be available from pre-tests, household surveys or other sources to ensure that the ranges given are suitable for the relevant income distribution. In some developing countries, ranges have been found to confuse interviewers and thus be a source of error. Good pre-testing is essential before their introduction.
Example K.1

K.1.1 What was ...’s last pay/income period?
1 Weekly
2 Fortnightly
3 Quarterly
4 Annually
5 Other (Please specify) ______________________________________
6 None
7 Not stated

K.1.2 What was ...’s gross pay/income during the last pay period, that is before income tax or other deductions? (Present flash card).

Interview: For self-employed persons obtain ‘net income’ i.e., receipts less business expenses.

<table>
<thead>
<tr>
<th>INCOME GROUP</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>0</td>
</tr>
</tbody>
</table>

Don’t know

The sequence in example K.1 is interesting in that it allows a variety of periods in the first question and then asks about the income for that period in the second question. The income information is collected in ranges and a flash (or prompt) card is used to assist in determining the range from the respondent. The use of prompt cards is a common survey technique also being used in some censuses. The questionnaire was designed for processing using an optical mark reader. It is also interesting that a “Don’t know” category was allowed on the questionnaire; this is not always a good practice, as interviewers may overuse it, or respondents when uncertain may prefer to use that option instead of selecting the category most likely to be correct. Question K.1.1 is definitely worded for paid employees, and interviewers would have to rephrase it for the self-employed. There is also no allowance for secondary employment, and it is uncertain whether total income from all jobs was to be recorded or only income from the main job. This should be explained in the interviewers’ manual and in training. Even if secondary activities are rare, some guidance is necessary for when they occur.

Example K.2

What was your gross income for the month of July 2000:

K.2.1 From your main job?
0 □ None
1 □ Only benefits (non-monetary)
R$ ____________________

K.2.2 From your other jobs?
(If you have only one job, mark the box “None”.)
0 □ None
1 □ Only benefits (non-monetary)
R$ ____________________
The question in example K.2 differentiates between the main job on which other economic characteristics have been collected and any others that the individual might have had in a specified month. The question also requests gross income, which not all respondents might know, even if they were reporting on their own incomes. In general, unless it is common practice for employees to receive a printed account of their salaries and corresponding deductions, it should not be assumed that individuals will know their gross income.

Example K.3

<table>
<thead>
<tr>
<th>K.3.1 Are you a visitor to the household?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes (do not complete the remaining questions)</td>
</tr>
<tr>
<td>☐ No (go to next question)</td>
</tr>
</tbody>
</table>

**K.3.2 Which kinds of income do you receive?**
*(Tick all the boxes that apply)*

- No source of income
- Salary/wages
- Income or profit from self-employment
- Pension from a former employer or spouse’s former employer
- Child benefit
- Disability benefits such as:
  * disability living allowance
  * disability working allowance
  * attendance allowance
  * severe disablement allowance
  * invalid care allowance
- Other state benefits such as:
  * retirement pension
  * widow’s pension
  * family credit
  * unemployment benefit
  * income support
  * sickness/invalidity benefit
  * maternity allowance
- Interest or annuity from savings or investments
- Other sources of regular income such as:
  * student grant or scholarship
  * rent from property
  * maintenance
- Other sources not already mentioned

**K.3.3 What is the total gross income (before any deductions for Income Tax and National Insurance contributions) that you usually receive from all sources?**

Count all income including:

* salary or wages
* income or profit from self-employment
* occupational pensions
* child benefit
* disability benefit
* state retirement pension
* family credit
* unemployment benefit
* income support
* sickness/invalidity benefit
* maternity allowances
* interest or annuity from savings or investments
* student grant/loan
* rent from property

Do not deduct:

* taxes
* national insurance contributions
* superannuation payments
* health insurance payments

<table>
<thead>
<tr>
<th>Per week</th>
<th>Per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Nil</td>
<td>☐ Nil</td>
</tr>
<tr>
<td>☐ Less than 40</td>
<td>☐ Less than 2,000</td>
</tr>
<tr>
<td>☐ 40 - 79</td>
<td>☐ 2,000 - 3,999</td>
</tr>
<tr>
<td>☐ 80 - 119</td>
<td>☐ 4,000 - 5,999</td>
</tr>
<tr>
<td>☐ 120 - 159</td>
<td>☐ 6,000 - 7,999</td>
</tr>
<tr>
<td>☐ 160 - 199</td>
<td>☐ 8,000 - 9,999</td>
</tr>
</tbody>
</table>

In example K.3 (which is intended for self-enumeration), the questions cover both sources of income and total gross income by range. It asks the respondents to think about all the possible sources of income, but does not seek to collect data about each. In some developed countries, it has been common to ask for the detailed income from each source. Questions with pre-coded ranges take space for the ranges and, as seen under K.3.3, explanatory notes can at times be extensive. The exclusion of visitors in K.3.1 is interesting. This could also be done
during processing provided that visitors were identified elsewhere on the questionnaire. The aim presumably was to provide income data only for usual residents and to sum to household totals without visitors. That approach may not be appropriate for censuses in all countries.

**Example K.4**

```
K.4.1 INGRESOS POR TRABAJO
¿Cuánto gana o recibe (NOMBRE) por su (s) trabajo(s) (actividad(es))?  
Anote en pesos la cantidad recibida y el periodo  
Si no recibe ingresos anote "0" en periodo

PERIODO:  A la semana .......... 1
A la quincena .......... 2
Al mes ............... 3
Al año ............ 4

Anote con número   |   Period

K.4.1 Income from work
How much did (Name) earn or receive for his/her work (activity/activities)?
Record in pesos the amount received and the period.
If received no income record ‘0’ for the period.
Period:  A week .................1
A fortnight ............2
A month ................3
A year .................4

____________________   ___________________
Record the amount   Period
```

477. No mention is made of income in kind, such as food and clothing, in example K.4. Income in kind may have been excluded and was presumably not stated since most respondents do not think of it as income. However, the fact that this type of income is to be excluded should still be noted in the manuals and during training for the rare cases when interviewers are asked about it. The prompts to be used on the questionnaire and the exact questionnaire wording need to be established through pre-tests. As with other questions, every effort should be made to avoid technical jargon and concepts in the actual questions.

478. To include an income question when the questionnaire has a landscape format can be difficult owing to the space needed for the essential notes to interviewers. However, the recording space for answers is usually adequate. No country example of an income question using the landscape format was located.

4. **Income: suggestions for enhancing the effectiveness of the questions**

479. *Principles and Recommendations, Revision 2*, recommends household income measures as well as individual measures. Household cash income is a major general welfare measure and, in countries without separate data collection programmes on income distribution, data on it is needed for studies on poverty as well as on other welfare-related issues. Depending on the question asked at the individual level, the household estimates may be derived by summing the individual measures or, as suggested earlier, a separate, broader question may be asked at the household level, if there is an opportunity to add in other income that is not included in the individual measures.
### Example K.5

Hypothetical question, recommended for testing and use in countries

**K. 5.1 What is the total of all wages/salaries, government benefits, pensions, allowances and other income the person usually received?**

- **MARK ONE BOX ONLY**
- **Do not deduct:** tax, superannuation contributions, health insurance, amounts salary sacrificed, or any other automatic deductions
- **Exclude income in kind, such as free or subsidized housing, clothing, transport**
- **Include the following:**
  - **Pensions/allowances**
    - Family tax benefits
    - Unemployment benefits
    - Rent assistance
    - Student allowances
    - Workers’ compensation
  - **Other income**
    - Interest
    - Rents (exclude expenses of operation)
    - Income from superannuation
    - Any other income
  - **Wages/salaries**
    - Regular overtime
    - Commissions and bonuses

Information from this question provides an indication of living standards in different areas.

- $2,000 or more per week ($104,000 or more per year)
- $1,600 - $1,999 per week ($83,200 - $103,999 per year)
- $1,300 - $1,599 per week ($67,600 - $83,199 per year)
- $1,000 - $1,299 per week ($52,000 - $67,599 per year)
- $800 - $999 per week ($41,600 - $51,999 per year)
- $600 - $799 per week ($31,200 - $41,599 per year)
- $400 - $599 per week ($20,800 - $31,199 per year)
- $250 - $399 per week ($13,000 - $20,799 per year)
- $150 - $249 per week ($7,800 - $12,999 per year)
- $1 - $149 per week ($1 - $7,799 per year)
- Nil income
- Negative income

### Notes

480. Example K.5 is based on a question drawn from a developed country’s questionnaire. It relates to the measurement of total person income and not just income from employment. The answer is recorded in a grid that shows ranges based on known income distributions in the country and indicates the period over which the income was received (weekly, fortnightly, monthly, yearly).

481. The decision to include an income question should not be made lightly. Pre-tests on the topic should be extensive, particularly when the topic is asked for the first time in a census. If possible, pre-tests should be followed by extensive re-interviews using household survey methods.
methodology to establish the level of accuracy of the census measures and thus to advise users. Early pre-tests should establish the prompts necessary for interviewers and identify problems with agricultural and informal sector income in particular. As interviewers are required in some cases to make calculations, a check on their accuracy is also essential. Users of the resulting statistics should be consulted during testing to ensure the question(s) are eliciting the type of information that they require and with a degree of accuracy that they regard as acceptable.

482. An example of a much more detailed question to collect individual incomes by source is question 52 of the Canada 2006 questionnaire (see annex I, sect D). That example collects exact values, but some countries may prefer to collect the data in income ranges (see also paragraph 473).

5. Income: issues of measurement

483. Even when income is restricted to cash only, the income information in a census is usually very approximate. Regular wage earners may know their regularly received pay, but the self-employed and particularly the small informal sector operators are very unlikely to be able to give good estimates of their income. The same also applies to agricultural income, which is often seasonal. Measurement of income received for casual, temporary and intermittent work will also very often be approximate. A major problem that is often encountered is that one member of the household gives the census replies for all household members. That person does not often know other household members’ income and only very rough estimates, if any, may be obtainable. Owing to problems of this nature with accuracy, some countries have restricted their income measures to paid employees only, even in labour force surveys. Others have excluded agricultural income and measure that component only in specialized agricultural surveys.