

Interregional Cooperation on Measurement of the Informal Sector and Informal Employment

Generic Questionnaire for Phase 1 of “1-2 Survey”

The objectives of the Phase 1 Questionnaire are:

- (1) To identify and construct a sampling frame of household unincorporated enterprises engaged at least partially in market production (HUEMs) among the enterprises in which employed persons work;
- (2) To provide data for estimating employment in informal sector enterprises; and
- (3) To provide data for estimating informal employment.

In this document, the questionnaire items relating to each of these objectives are grouped into three modules—a module to identify HUEMs, a module on the registration and employment size criterion for identifying informal sector enterprises, and a module on informal employment.

These questions should be preceded by questions for identifying employed persons, including employment in second jobs, as formulated in a standard labour force survey which follows the international recommendations on employment and unemployment.

Questionnaire Module for Identifying Household Unincorporated Enterprises engaged at least partially in market production (HUEM) in the LFS

The questions in the module, labeled QHUEM, obtain information on the characteristics of the enterprise where employed persons work with the objective of identifying household unincorporated enterprises engaged, at least partially, in market production (HUEMs). The information collected pertain to three criteria—(1) legal organization, (2) book-keeping practice and (3) product destination. The questions provide the necessary information for constructing a frame of HUEMs.

These questions apply to all employed individuals regardless of status in employment, unless otherwise specified, and are to be asked with reference to the first job and, where applicable, separately also for the second job.

QHUEM0. These two questions are asked in order to obtain the physical location of the enterprise which is needed for constructing a frame of HUEMs. In addition, QHUEM0_1 is useful for identifying specific types of workers in the informal sector such as homeworkers, street vendors, etc. When integrated into the LFS questionnaire, it is recommended that these questions follow the question on status in employment.

QHUEM0_1. Where do you mainly undertake your work?

- *Fixed premises*
- Home of employed person
 1. At my home with no special work space
 2. At my home with work space inside/attached to the home)
- Establishment outside of the home of employed person

3. Business premises with fixed location independent from my home (e.g. factory, office, workshop, shop, kiosk, etc)
4. Farm or individual agricultural/subsidiary plot
5. Home or workplace of client
6. Construction site
7. Market, bazaar stall, trade fair
8. Street pavement or highway with fixed post
 - Employer's home (e.g., domestic help)
9. Employer's home
 - *No fixed premises*
10. Transport vehicle
11. No fixed location (e.g., mobile; door-to-door; street without fixed post)

Note: Include additional places of work which are common, specific to national situations (e.g., mining site; railway station; garbage area)

90. Other, specify ...

QHUEM0_2. What is the full name and address/location of the enterprise in which you work/are employed, or the name and address of your employer?

The name and address of the establishment where I work or of my employer are:

Name of enterprise/employer: _____

Address: _____

Notes: Operational notes

a) If QHUEM0_1=1 or 2, the business address is the same as the house address.

b) If QHUEM0_1 ~ 1,2 or 3 and if the status of employment of the employed person is employer, own account or contributing family worker, then the business address is the same as the house address.

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HUEM1. On legal organization

This sequence of three questions are intended to distinguish private unincorporated enterprises from corporations, quasi-corporations, non-profit institutions, and government.

QHUEM1_1 filters out all enterprises that are not privately owned.

QHUEM1_1: What is the type of ownership of the enterprise in which you work?

- | | |
|---|-------------------------------------|
| 1. National/local government/public sector | <i>Not HUEM- Skip rest of QHUEM</i> |
| 2. State-owned (fully or partly) enterprise | <i>Not HUEM- Skip rest of QHUEM</i> |
| 3. Nonprofit institutions, NGOs (e.g., development organizations), associations, international agencies | <i>Not HUEM- Skip rest of QHUEM</i> |
| 4. Privately owned enterprise | Go to QHUEM1_2 |
| 5. Private employer | Go to QHUEM1_2 |

Note: Codes 1-3 cover enterprises that are definitely not in the household sector.

Note: Code 5- “Private employer” refers to the case where an employee is employed by a household as domestic worker (e.g., maid, gardener, driver, nanny, utility worker).

Note: As in QHUEM1_1, in what follows, “Skip rest of QHUEM” means that the enterprise in which the employed person works is not a HUEM.

A privately-owned enterprise may be further classified by legal status. The objective of this question is to identify unincorporated enterprises from all other private enterprises. The categories for legal status in QHUEM1_2 should reflect those prescribed in existing laws and regulations of the country. The generic categories listed below should be made more specific according to these laws or regulations.

QHUEM1_2: What is the legal status/organization of the private enterprise where you work?

- | | |
|--|-------------------------------------|
| 1. Joint stock company/corporation | <i>Not HUEM- Skip rest of QHUEM</i> |
| 2. Limited liability company/partnership | <i>Not HUEM- Skip rest of QHUEM</i> |
| 3. Registered cooperative | <i>Not HUEM- Skip rest of QHUEM</i> |
| 4. Individual business/partnership with members of household | Go to QHUEM2_1 |
| 5. Ordinary partnership with members of other households | Go to QHUEM2_1 |
| 6. Private household employing domestic staff | <i>Not HUEM- Skip rest of QHUEM</i> |
| 90. Other, specify _____ | Go to QHUEM1_2a |
| 98. Do not know | Go to QHUEM1_2a |

Note: Codes 4 and 5 pertain to household enterprises.

Note: Code 6- Private household employing domestic staff are considered as non-market household enterprises engaged in producing services for own final use and, thus, are not HUEMs.

Note: QHUEM1_2a is intended to supplement QHUEM1_2; it is designed to elicit a response from those who are not able to classify the legal status of their enterprises into any of the specified response categories.

QHUEM1_2a: At which type of enterprise do you work?

- | | |
|---|-------------------------------------|
| 1. Factory or plantation | <i>Not HUEM- Skip rest of QHUEM</i> |
| 2. Bank or insurance company | <i>Not HUEM- Skip rest of QHUEM</i> |
| 3. Commercial/restaurant/service chain | <i>Not HUEM- Skip rest of QHUEM</i> |
| 4. Construction company | <i>Not HUEM- Skip rest of QHUEM</i> |
| 5. Private hospital or school | <i>Not HUEM- Skip rest of QHUEM</i> |
| 6. Engineering firm | <i>Not HUEM- Skip rest of QHUEM</i> |
| 7. Farm, small workshop/garage/shop/restaurant/service shop | Go to QHUEM2_1 |
| 90. Other, specify ... | Go to QHUEM2_1 |

Note: Codes 1-6 are intended to cover the most common types of enterprises that are likely to be incorporated.

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HUEM2. Book-keeping and accounting practices

This set of questions are intended to distinguish household unincorporated enterprises from other unincorporated enterprises.

As household production units, these enterprises do not constitute separate legal entity independently of the household members who own them. Fixed and other capital used does not belong to the enterprise as such but to the household members. As expenditure for production is often indistinguishable from household expenditure and capital equipment such as buildings or vehicles may be used indistinguishably for business and household purposes, these enterprises do not keep complete set of accounts, thus can not be treated as quasi-corporations and delegated to the corporate sector.

To obtain this information, different questions are asked for own-account workers, employers, and contributing family workers (QHUEM2_1 – QHUEM2_3) and for employees (QHUEM2-4).

The categories for book-keeping and accounting practices in QHUEM2_1 should reflect those prescribed in existing laws and regulations of the country. The generic categories listed below should be made more specific according to these laws or regulations.

For own-account workers, employers, and contributing family workers

QHUEM2_1: How does your enterprise/business maintain its records or accounts?

- | | |
|---|-------------------------------------|
| 1. Complete bookkeeping (<i>balance sheet and operating statements</i>) | <i>Not HUEM- Skip rest of QHUEM</i> |
| 2. Simplified legal accounts | Go to QHUEM2_2 |
| 3. Only through informal records of orders, sales, purchases | Go to QHUEM2_2 |
| 5. No written records are kept | Go to QHUEM2_2 |
| 90. Others, specify ... | Go to QHUEM2_2 |

Notes:

Code 1- Complete bookkeeping corresponds to legal requirements for corporations, as specified in the relevant corporate laws. All businesses that keep such accounts are definitely not unincorporated enterprises.

Code 2- Simplified legal accounts takes care of the situations where existing laws and legislations require specific types of businesses to submit formal accounts, such as for payment of taxes, but are different from the requirements for corporations.

QHUEM2_2 and QHUEM2_3 are additional questions that intend to further clarify the nature of the accounts kept by the business and serve as consistency checks for the responses given in QHUEM2_1.

QHUEM2_2: As owner of the business, are you able to take out a bank loan in the name of the business?

1. Yes
2. No
98. Don't know

Note: In QHUEM2_2, if a bank loan is taken out in the name of the business this means that formal sets of accounts must be available; it also means that the business has a legal status separate from that of its owner.

QHUEM2_3: As owner of the enterprise do you pay tax on income from the business?

1. Yes, separately in the name of the business [*refers to corporate tax, business tax or tax on profits; not VAT, license tax, etc*]
2. Yes, as part of my personal income tax
3. No
80. Not applicable
98. Don't know

Note: The categories in QHUEM2_3 should reflect the type of taxes on income from business specified in the country's tax laws. These terminologies should be used. Code 1 refers to taxes paid by corporations and quasi-corporations. Code 2 corresponds to taxes paid by unincorporated enterprises.

For employees:

QHUEM2_4: Do you get a pay slip?

1. Yes, complete with information on withholding tax payments, regular and overtime pay, deductions for social security, employer's contribution to social security, insurance, etc
2. Yes, simple pay slip
3. No

Note: The response categories reflect the nature of book-keeping and accounting practices of the business. Code 1 implies that the business keeps a formal set of accounts.

HUEM3. Product destination- at least some part of output is marketed

This question determines if the HUEM production is marketed, at least in part. This is the last question for identifying HUEMs.

For all employed persons

QHUEM3_1: Does the enterprise you own/where you work sell or barter its goods and/or services?

1. Yes, at least some part of it on a regular basis
2. Yes, at least some part of it from time-to-time
3. No
4. Don't know

Not HUEM
Not HUEM

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Identifying HUEMs

The following table presents the conditions under which an enterprise in which a persons works is a HUEM

<i>Where status in employment= employer, own account worker or contributing family worker</i>	
1	<i>QHUEM1_1= 4 &QHUEM1_2= 4 or 5 & QHUEM2_1 ~=1 & QHUEM3_1= 1 or 2</i>
2	<i>QHUEM1_1= 4 &QHUEM1_2= 90 or 98 &QHUEM1_2a= 7 & QHUEM2_1 ~=1 & QHUEM3_1= 1 or 2</i>

<i>Where status in employment= employee</i>	
1	<i>QHUEM1_1= 4 &QHUEM1_2= 4 or 5 & QHUEM2_4 ~=1 & QHUEM3_1= 1 or 2</i>
2	<i>QHUEM1_1= 4 &QHUEM1_2= 90 or 98 &QHUEM1_2a= 7 & QHUEM2_4 ~=1 & QHUEM3_1= 1 or 2</i>

Note. There are some issues related to the use of the information provided by employees for identifying HUEMs. The first is that the information provided may not be accurate; it has been shown that the chances are high that employees may not know the characteristics of the enterprises in which they work. The second is that, given that the information is accurate, there is a risk that the employer may take issue with the fact that he or she was included in a survey because of information provided by an employee. This could be so in the case, for example, when the business is concealing its labour practices or non-registration status or non-tax paying status.

Thus, the statistical office will need to assess these risks when deciding whether to include or exclude employee-identified HUEMs for the phase 2 survey.

Questionnaire Module for Identifying Informal Sector Enterprises

This module consists of questions on employment size and registration of the enterprise. These are considered the main additional criteria for delineating informal sector enterprises from among HUEMs.

Apart from HUEMs, the ICLS definition of informal sector contains additional enterprise-based criteria about the size of employment, the non-registration of the enterprise and/or its employees of which their application may vary depending on national considerations and circumstances. These additional criteria are applied to restrict the scope of informal sector enterprises from among HUEMs to the following two sub-sets of enterprises:

- a) Own-account enterprises: either all own-account enterprises may be considered informal, or only those not registered under specific forms of national legislation (such as commercial laws, tax and social security laws and regulatory laws).*
- b) Enterprises of employers: enterprises may be considered informal if they meet one or more of the following: (1) small size of the enterprise in terms of employment, (2) non-registration of the enterprise, and (3) non-registration of its employees.*

With these additional criteria, the production unit in the informal sector is defined as a household enterprise with at least some production for sale or barter for which one or more of the criteria of a limited size of employment, the non-registration of the enterprise and/or its employees are met.

The questions should be preceded by questions for identifying HUEMs (see Questionnaire Module for Identifying HUEMs in the LFS). For purposes of obtaining a unifying definition of the informal sector, the category/responses presented in this module should be used uniformly by countries. While countries should be able to tabulate results of the survey based on national definitions of the informal sector, the survey results should also provide information to enable tabulations using the unifying definition of the informal sector.

The questions apply to all employed individuals regardless of status in employment, unless otherwise specified. The questions are to be asked with reference to the main job and, where applicable, separately also for secondary jobs.

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IS1. Employment size

QIS1_1 provides information on the total size of the enterprise. QIS1_2 provides information needed for estimating total employment in the informal sector. QIS1_3 specifically asks about the number of paid employees; the data is needed to be able to implement the Delhi group recommendations on international comparability.

QIS1_1: How many persons (including yourself) usually work in your enterprise/the enterprise where you are employed?

1. Only myself
2. 2 - 5
3. 6 - 9
4. 10 - 19
5. 20 - 49
6. 50 - 99
7. 99 - 499
8. 500 or more

Note: The response categories may be expanded as may be relevant to specific country laws such as those defining sizes of micro-, small-, and medium enterprises.

QIS1_2: Please give the exact number:

Total / / / / / Women / / / / / Men / / / / /

Note: This question must have a response if QIS1_1={1, 2, 3, 4}.

QIS1_3: How many are paid employees?

1. less than 5
2. 5 or more

or

Number of paid employees:

Total / / / / / Women / / / / / Men / / / / /

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IS2. Registration

Two options are presented here for obtaining information on registration status of an enterprise.

Option 1- Obtain directly information about status and type of registration

QIS2_1: Is the enterprise in which you work registered in any national/state or local government agency?

- | | |
|--|--------------|
| 1. Yes | |
| 2. Is in the process of being registered | |
| 3. No | Skip QIS2_1a |
| 4. Do not want to answer | Skip QIS2_1a |
| 90. Do not know | Skip QIS2_1a |

QIS2_1a: Under which form is the enterprise registered?

- | | | |
|---|-----|----|
| 1. Tax agency | Yes | No |
| 2. Business registration, local government | Yes | No |
| 3. Business registration, national legislation | Yes | No |
| 4. Social security agency | Yes | No |
| <i>Other response categories applicable to national circumstances</i> | Yes | No |

Note: Nomenclature used in the response categories above should be consistent with the legal registration process in the country and should distinguish between registration mandated by law for ALL enterprises and those that are for specific types of activities (e.g., related to licensing, health inspections, small/medium). Since an enterprise may be required to register in more than one agency, this is formulated as a multiple response question.

Option 2

QIS2_1': What is the type of tax payment by the enterprise?

1. No tax payment
2. Corporate tax
3. Other types of taxes (e.g., *lump sum tax, special regime tax, patente*)

Note: Nomenclature use in response categories codes 2 and 3 above should be consistent with the tax laws of the country.

Questionnaire Module on Informal Employment in the LFS

For employees only: (to be asked for main job and, where applicable, also for secondary jobs)

Several aspects pertaining to the informality/formality of jobs are covered by the questions. The objective is to be able to analyze nature of informality as well as degree (according to number of conditions that hold) of informality.

QIE1: What is the duration/nature/stability of your employment?

1. Permanent job/business/unpaid family work
2. Short-term or seasonal or casual job/unpaid family work
3. Worked for different employer on day-to-day or week-to-week basis

QIE2: Are the terms of your employment covered by a written contract?

1. Yes, I have a written contract for long-term employment
2. Yes, I have a written contract for short-term employment
3. No, I only have a verbal contract
4. No, I do not have any contract

QIE3: Does your employer pay contributions to the legislated pension fund for you?

1. Yes
2. No
3. Do not know

QIE4: Do you benefit from paid annual leave/holiday leave or from compensation instead of it?

1. Yes
2. No
3. Do not know

QIE5: In case of incapacity to work due to health reasons, would you benefit from paid sick leave?

1. Yes
2. No
3. Do not know

QIE6: In case of birth of a child, would you be given the opportunity to benefit from maternity leave?

1. Yes
2. No
3. Do not know
4. Not applicable

QIE7: Unless there is due cause, could your employment be terminated by your employer without advance notice?

1. Yes
2. No
3. Do not know

QIE8: In case of termination of employment (either initiated by you or your employer), would you receive the benefits and compensation specified in the existing labour laws?

1. Yes
2. No
3. Do not know

Classifying Jobs of Employees as Informal Jobs

1. **“At least one” criterion:** A job is said to be informal if at least one of the responses to questions QIE1 – QIE8 corresponds to “informal job”:

Question	Response category	
	Formal job	Informal Job
QIE1	1	2, 3
QIE2	1, 2	3, 4
QIE3	1	2
QIE4	1	2
QIE5	1	2
QIE6	1	2
QIE7	2	1
QIE8	1	2

2. A minimum (>1) specified set of benefits is not received— can be developed with the objective of analyzing degree of informality