

**Report of 11th Meeting of the International Expert Group on Informal
Sector Statistics
(Delhi Group)
ILO, Geneva 27-29 January 2010**

The 11th meeting of Delhi Group on Informal Sector Statistics started with welcoming the participants and self introduction round the table. The list of participants is enclosed. The agenda items for the meeting are the following:

- To discuss the draft manual on survey of Informal Sector and Informal Employment.
- Future activities of the Delhi Group, and
- Any other item, with the permission of the Chairperson.

The Chief Statistician of India Dr. Pronab Sen who is also the Chairman of Delhi Group chaired the meeting.

2. The draft of the “Manual on Surveys of Informal Employment and Informal Sector” contains 9 chapters. The time table for the meeting, list of the 9 chapters and list of contributors are annexed (Annexure 1, Annexure 2 and Annexure 3 respectively).

3. General discussion about the timeline for manual finalization and handing over the draft manual to the ILO by the Delhi Group and subsequent procedures were discussed. Chairperson mentioned that by the end of May, 2010 manual will be handed over to ILO by Delhi Group; subsequent procedures for its publication rest with the ILO. Mr. Ralf Hussmanns said that as per normal procedure, the ILO will take steps to send the manual to few experts working on the topic for peer review, take their comments and process. This will include members of the Delhi Group.. The Manual will go through formal editing by the ILO and will be published in later part of year 2010 depending on ILO publication schedule. For translation in French language or any other language, ILO welcomes proposals for support.

4. The corrections required in draft manual could be classified into 4 categories:

- 1) Cross-referencing between chapters
- 2) Harmonisation of terms.
- 3) Material not there and needs inclusion.
- 4) Material already there and needs exclusion.

5 Categories 1 and 2 will be dealt with during editing stage. For category 3, it was agreed that the experts suggesting inclusion provide the material also, or else such inclusion would be dealt with in a future version of the manual.

6. A brief verbal presentation on chapter (s) was made by author (s) followed by open house discussions. The presentations focused on the contents of the chapters, revisions made to previous drafts, and unresolved substantive issues requiring guidance by the Group. The issues raised and decisions taken are given chapterwise in the ensuing paras.

Chapter I: Introduction

- Few editing errors were pointed out which will be corrected at the time of general editing by ILO.
- If the terms “Informal Economy” and “Formal Economy” are used in Introduction, they need to be explained.
- The estimates quoted in the section ‘Importance of the informal sector and informal employment’ should be qualified as being approximate. It should be indicated that the purpose of the manual is to improve such estimates.
- The last paragraph of the section ‘Importance of the informal sector and informal employment’ should be reworded to reflect that poverty reduction is a broader macro-economic issue.
- Statement in page 3 “The goods and services produced in the informal economy are particularly important in what is consumed by the

poor”. The phrase **as well as in other households** should be added to the sentence

- Section nos. may be given as in subsequent chapters.
- As 2008 System of National Accounts has already been put in website, the word “forthcoming” need to be replaced by website address in footnote 9 of Chapter 1 of draft Manual.
- In line with the presentation style of other chapters, list of references may be added.

Footnotes 10 and 18 also need to be corrected.

Chapter 2 : Concepts, definitions and sub-classifications of Informal Sector and informal employment.

- Chapter organisation may be described in the introduction.
- The title of section 2.2.2.1 should express more clearly that the section refers to activities within the general production boundary but outside the SNA production boundary.
- Diagram 3 in section 2.2.2.1 : Phillipines was there last time but now omitted as Phillipines has recently done survey and hence information on new survey definition(s) are required to include Phillipines. A reference to Chapter 6 should be made in respect of the 1-2-3 surveys. In the case of Mali, the reference should be updated (Labour Force Survey 2007).
- In the first paragraph of section 2.2.2.3, reference to ISIC tabulation category B should be dropped and reference be made to ISIC Rev. 4.
- Table 1 in section 3.1 : Figures for India are to be furnished to the ILO with suitable footnote on coverage. Mali has done a labour force survey 2007 and the figures in the table should be updated accordingly, if

made available to the ILO. Mr. François Roubaud offered to provide data for additional Asian countries (Viet Nam, Philippines, Mongolia, Bangladesh, Sri Lanka).

- Section 4 of Chapter 2 should be moved to Chapter 1, Section 'International statistical recommendations', and the reference to cells 1 to 10 in Diagram 5 should be deleted.
- As several para of 15 ICLS resolution have been quoted extensively, it maybe annexed in the manual for easy reference.

Chapter 3: Measurement objectives and Data Collection Strategies

- The approach taken in the chapter was endorsed that no single methodology is to be recommended but the comparative advantages/disadvantages of each methodology be clearly brought out. Use of terms like 'ISU', 'IPU', etc. should be harmonized across chapters.
- Choice of methodology depends also on the type of sampling frame available. This needs to be given more prominence in the chapter.
- In section 2, a reference to and summary table of data items should be added, and this should be cross-referenced with Chapter 8.

The title of Table 3.1 in section 3 should be changed to better reflect that the table refers to the theoretical relation between measurement objectives and the units of observation targeted by the alternative survey methods. The footnote needs to be changed as follows: The information may be subject to non-sampling errors because the observation unit is captured indirectly”.

A row 2.5 should be inserted for 'Destinations of/demand for IS products'.

- The discussion of issues regarding sample size in the second-last paragraph of section 3 needs to be expanded with reference to different survey methodologies.
- The first sentence of section 6.2 should be reworded.

- The first paragraph of section 8 should mention that work on indirect methods will continue irrespective of the development of direct methods, and that the MIMIC model is a recent indirect method.

Chapter 4 : Household Surveys on Informal Sector Employment and other types of Informal Employment.

- After Box 4.1, explain that variables such as type of work place or income can be both important contextual and analytical variables.
- Relevant parts of the questionnaires mentioned in the body of the manual are to be added as annexures.
- In Page 5, example 4.2. Mali questions – Translation in English may be given.
- In Page 11, 4th line, the phrase “The former approach:” should be corrected as “The latter approach”.
- Issues regarding sample size, sampling frame need to be mentioned.
- The employee may not know whether he works in a informal/formal establishment. Suitable questions may be required, answers to which will lead to information about type of unit. This may be included in the report.
- A section on ‘Questions related to type of work place’ should be added before the section on ‘Treatment of home-based workers’.
- Though “information” may not be reliable, the Labour Force survey may attempt to get information about income from employment.
- A reference may be made to the differences that arise between Panel and non-panel surveys in the estimation of informal sector.

- Cameroon and Viet Nam should be added to Table 4.1, and year of the survey of Mali should be updated to 2007.
- Documents/sources used for the material on country practices may be listed at the end of the chapter under references.

Chapter 5: Establishment censuses and Informal Sector Establishment Surveys

- In Section 5, Table 1 (pages 8-9) more information should be added on Latin American countries; Panama 1983 to be replaced by Ecuador. Vietnam and Colombia information may be added; as also Mexico experience.
- The chapter should acknowledge that the classical form of the establishment approach tends to cover micro-businesses only, i.e. the upper segment of the informal sector characterized by a higher productivity than the rest.
- Examples of country experiences should be issue-based rather than descriptive, i.e. they should be linked to the material of sections 1 to 4. This may mean bringing substantive issues, which are raised in the country experiences, forward to sections 1 to 4 (e.g. listing of production units concurrently with the houselisting for the population census).
- The chapter should address the problems of underreporting and undercoverage inherent to the establishment approach. It should only describe country experiences that attempt to tackle these problems, i.e. those trying to cover home-based and/or mobile activities.
- Add material on Linkages between Economic Census and Establishment Surveys.
- Issues regarding new forms of organization such as Self Help Groups may be mentioned. Schedules of enquiry should try to include questions on capturing information on new forms of organization.

- The chapter should include material on the following as recommended by the Delhi Group at its tenth meeting:
 - Indian experience in evolution of survey design of household enterprises and unorganized sector enterprises, stressing on improvements may be briefly traced;
 - Empirical analysis of differences in estimates on informal sector and informal employment obtained from 55th round (1999-2000) and 56th and 57th rounds on unorganised sector surveys may be included; and
 - Listing experiences in economic censuses and surveys in India may be traced with improvements brought-in over time, may be described;
- Documents/sources used for the material on country practices may be listed at the end of the chapter under references.

Chapter 6:

- Section 3.1.1, Figure 6.3: The figure should be updated (e.g. for Burundi 2008 information is to be provided by Mr. Osbert (UNECA)).
- Reference to Chapter 3 may be made in section 3.1.3 where it has been described how to include in LFSs a component to identify informal sector employment/informal employment.
- Use phrase “countries in which informal employment is a significant part” instead of phrase “developing countries”.
- With regard to integrated mixed surveys, the chapter should mention that if measurement of the informal sector or informal employment are key objectives of a labour force survey, in designing or redesigning the sample of the labour force survey it should be considered to reallocate the sample accordingly. A paragraph on this issue should also be added to Chapter 3.

- Section 3.2.2.6 should include a cross-reference to the periodicities recommended in Chapter 3.
- Annex 1: Use of the word “generic” may be changed as “template” or “draft” given by ESCAP which has been modified by different countries to suit their needs. This should be explained in a footnote or the heading of the questionnaires should be changes accordingly.

Chapter 7: Independent Informal Sector Surveys using the mixed household and enterprise survey approach.

- Country experiences of Brazil, India (1999/2000), Palestine (2003) and Turkey may be included.
- Cross referencing to Chapter 3 may be made which brings out clearly the pros and cons of the various procedures described in Chapters 6 and 7.
- Chapter 7 should start with brief introduction and indicate its contents similar to other chapters. The introduction should indicate the issues that are common to Chapters 6 and 7 but dealt with in Chapter 6.
- The term ‘branch’ of economic activity should be changed to ‘kind’ of economic activity.
- Where the first phase is limited to a household listing, independent informal sector surveys using the mixed household and enterprise survey approach may bring out the economic characteristics of enterprises but may not do justice to the social, demographic characteristics of informal employment. This needs to be highlighted.
- Section 1.6.4: It should be explained that the purpose of the dual approach is to ensure that an adequate number of informal sector establishments is included in the sample. Problems of identifying

establishments correctly may however be mentioned. The description of Type A should read “Establishments located, within the sample area, in a unit other than an occupied residential dwelling of a building or structure . The owner(s) ...”.

- Section 2.1: It should be mentioned that the sample size of a single survey covering all kinds of economic activity should be large enough for each kind to provide reliable kind-specific estimates of value added per worker.
- Under section 2.3.2 guidelines for the treatment of units which are misclassified or erroneously included in the sampling frame should be included. This is quite common and guidelines of treating such cases would be very useful for practitioners.

Chapter 8: Tabulation, reporting and dissemination

- Few sentences may be added to indicate that the proposed tabulations are illustrative only. Depending upon the contents of questionnaires, different tabulations could be produced.
- Indicators on informal sector units and tabulations on their characteristics like value addition, market access, etc., need to be added. Inputs from other members of the Group are required for this.
- Data items and tabulations relating to demand-side issues should be added.
- Bernd Becker’s paper on minimum data sets for National Accounts may be referred to.
- The CSO of India agreed to provide an example of intermediate structure worksheet for inclusion in the chapter.

The templates should possibly be presented before the tabulations. The text should explain that the templates can be prepared during the data processing stage and serve two main purposes: as control totals and dissemination products.

- The templates presented in Annex B have some errors . Mr. Negrete will provide a corrected version.
- It should be considered to move the part on indicator calculation of section 3 to the end of Chapter 2.

Chapter 9: Use of Data on Informal Sector and Informal Employment in the preparation of National Accounts

- Chapter 9 title may be changed as “Use of Data on Informal Sector and Informal Employment for National Accounts”.
- Chapter 9 should be written to inform survey statisticians about the data needs for national accounts compilation, and to raise awareness among national accountants of the value of using direct survey data on informal sector and informal employment. A majority of participants suggested that the chapter 9 be rewritten accordingly.
- A sub-group of participants comprising of Mr. Ramesh Kolli, Mr. Gulab Singh, Mr. Rodrigo Negrete, Ms. Joann Vanek, and Mr. Nittala Sastry formulated the draft outline of revised Chapter 9 of the manual. This was discussed and finalized by the meeting (Annexure 4).
- The revised chapter 9 will be written and finalized by April, 2010 by Mr. Ramesh Kolli and Mr. Gulab Singh.
- The whole manual should be finalized by May 2010 and handed over by Delhi Group to ILO.

Planned Activities

During the said meeting, the future activities of Delhi Group on “Informal Sector Statistics” was also discussed. The work of Delhi Group on “Manual of Surveys of Informal Sector and Informal Employment” is coming to an end in May, 2010. Informal Sector Statistical Data issues are very demanding on a wide range of issues. Delhi Group will be continuing its work on “Informal Sector Statistics” and the possible areas of future work will be any of the following:

- i. Improvement of coverage and quality of data of informal sector and informal employment.
- ii. The application of the concept of informal employment in developed countries.
- iii. Examination of the groups in the International Classification of Status in Employment (ICSE) which are relevant to the conceptual framework for informal employment, and proposals for revisions/ subclassifications.
- iv. Definition of Rural Employment and Strategy for Promotion of Rural Employment including its measurement.
- v. Typology of agricultural employment with a view to defining informal (self-)employment in agriculture .
- vi. Comparison of country results in informal sector/informal employment.
- vii. Data sets for skills of workers/vocational trainings in informal sector/informal employment.
- viii. Guidance on implementation of concept of informal sector and informal employment in SNA 2008 .
- ix. Rural to urban migration for employment.
- x. Migrant workers in informal employment.
- xi. Information relevant for analytical work in informal sector – do we get from the statistical system?
- xii. Social Dimensions of Informal Sector such as Poverty /Social security Issues/Health Status of informal workers/Gender dimensions/Gender disparity/ Child work in informal employment.

The meeting ended with Vote of Thanks to the Chair

Chair of the Delhi Group:

Dr. Pronab Sen, Secretary, Ministry of Statistics and Programme Implementation, Government of India

Participants

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11th Meeting of the Delhi Group

(Geneva, 27-29 January 2010)

Time table

Wednesday, 27.01.10 Room VI	09h30-12h30	Chapter 1 Chapter 2 Chapter 3
	14h00-17h00	Chapter 4 Chapter 5
Thursday, 28.01.10 Room VII	09h30-12h30	Chapter 6 Chapter 7
	14h00-17h00	Chapter 8
Friday, 29.01.10 Room VII	09h30-12h30	Chapter 9
	14h00-17h00	Future activities of the DG Other items

Manual on 'Surveys of Informal Employment and Informal Sector':

List of chapters

Chapter 1	Introduction
Chapter 2	Concepts, definitions and sub-classifications of informal sector and informal employment
Chapter 3	Measurement objectives and data collection strategies
Chapter 4	Household surveys on informal sector employment and other types of informal employment
Chapter 5	Establishment censuses and informal sector establishment surveys
Chapter 6	Mixed household and enterprise surveys using the modular approach
Chapter 7	Independent informal sector surveys using the mixed household and enterprise survey approach
Chapter 8	Tabulation, reporting and dissemination
Chapter 9	Use of data on informal sector and informal employment in the preparation of national accounts

Manual on 'Surveys of Informal Employment and Informal Sector':

Contributors as on 27 January 2010 (alphabetical order)

Chapter 1	Joann Vanek
Chapter 2	Ralf Hussmanns
Chapter 3	Elisa Benes, Ralf Hussmanns, Nittala Sastry
Chapter 4	Elisa Benes, Rodrigo Negrete
Chapter 5	Nittala Sastry
Chapter 6	Margerita Guerrero, Yandiswa Mpetsheni, Rodrigo Negrete, Francois Roubaud
Chapter 7	Ralf Hussmanns, Vijay Verma
Chapter 8	Elisa Benes, Rodrigo Negrete, Joann Vanek
Chapter 9	Michel Seruzier

Draft Outline of Chapter 9 of the Delhi Group Manual

**Chapter 9: Use of Data on Informal Sector and Informal Employment
in National Accounts**

1. Introduction

- Purpose :To inform survey statisticians about the data needs for national accounts compilation, and to raise awareness among national accountants of the value of using direct survey data for :
 - Ensuring on exhaustive coverage of GDP.
 - Helpful in balancing supply and use.
- Chapter structure

2. Informal sector in SNA 2008

- How informal sector is situated in SNA 2008.
- Informal sector as a subset of household sector
- Satellite presentation (include also informal employment).

3. Requirement of data on informal sector for national accounts purposes

- Direct measurement
 - In terms of output, intermediate consumption, employment and other related variables, for example, capital formation.
- Indirect measurement
 - Labour input matrix
 - Productivity coefficients

4. Use of survey data on informal sector for estimation of national accounts aggregates.

- Labour input method
 - Production account
 - Generation of income accounts
 - Selected country experiences in quantifying contribution of informal sector in national accounts.
-