Title: Workshop on Informal Employment and Informal Sector Data Collection II: Evaluation, Processing and Utilization of Data from ‘1-2’ Surveys

Dates: 14-16 May 2008

Venue: United Nations Conference Center – Bangkok, Thailand

Organizer(s): United Nations ESCAP, UNSIAP

Participating Countries: Mongolia, Philippines, Saint Lucia, Sri Lanka, Viet Nam

Agencies involved in the training: United Nations ESCAP, UNSIAP, ECLAC

Number of Participants: 10

Presentation and the Content of the Workshop:

United Nations ESCAP and SIAP organized the Workshop on Informal Employment and Informal Sector Data Collection II: Evaluation, Processing and Utilization of Data from ‘1-2’ Surveys, on 14-16 May in Bangkok. This three-day workshop was the second in a series of technical meetings on the design, implementation and utilization of 1-2 Surveys. The 1-2 Survey is the recommended tool for collecting data on the informal sector and informal employment by the Development Account Project “Interregional Cooperation on the Measurement of Informal Sector and Informal Employment.”

The workshop had four main components: (i) discussion of methodological and project implementation issues in the participating countries; (ii) data checking and editing procedures used for the 1-2 Survey data; (iii) 1-2 Survey data analysis and tabulation plans; and (iv) utilizing 1-2 Survey data for estimating the GDP of household unincorporated enterprises with at least some market production (HUEMs) and of informal sector enterprises.

The design of the workshop was interactive with presentations from resource people and from the participating countries. The first day started with an overview of the workshop objectives and the presentation of the agenda. In the first session, the countries presented the adapted 1-2 methodology in their countries, problems encountered in project implementation and survey operations and proposed solutions to these problems, if any. Mongolia informed the workshop that the survey operations were adjusted to administer the Phase 1 and Phase 2 questionnaires simultaneously due to time pressure and logistics. During their presentation, Sri Lanka reported that based on the initial testing of the draft questionnaires, they had decided to exclude agricultural activities. The Philippines was the only country to have
included agriculture in the survey and they have had problems gathering information on turnover and expenses because of the lag between planting seeds, harvesting and sales. This was especially an issue for the Philippines, as data collection in this country was done only in one quarter (April 2008). Mr Roubaud confirmed that indeed the 1-2 Survey questionnaire was not designed to include agricultural activities and that agricultural survey questionnaires are designed in a way to capture sector-specific information. Sri Lanka also informed that Phases 1 and 2 will be administered separately as interviews last too long when they are administered back-to-back. This will certainly have budget implications for project implementation in the country. These presentations revealed that more time was needed to discuss the country-specific issues in methodological adaptations and survey operations. A country break-out session was inserted in the workshop programme for the second day.

On the first day, there was an additional presentation/discussion on the Microdata Management Toolkit for the documentation of household surveys according to the international standards. ESCAP briefly presented the Metadata Editor (a component of the Toolkit) the use of which is being promoted through the Microdata Management Project, Accelerated Data Programme Asia and the Pacific implemented by ESCAP. All countries that are implementing the Development Account Project are also taking part in the Microdata Management Project. Hence, the documentation of the 1-2 Survey can easily be done using the IHSN toolkit presented in this workshop.

Following the presentation of the Metadata Editor, the countries reported informally on the current practices and tools for data processing, checking and editing, which was the first component of the second session. During the country reports, it was revealed that most countries work with CSPro at the data entry and checking stages (except Saint Lucia, which uses a programme called teleform). At the analysis stage, SPSS (Saint Lucia, Sri Lanka) and STATA (Mongolia, Philippines) are used in the project countries (SAS is the preferred tool for data analysis in Vietnam). It was agreed that the countries would share their data checking procedures and raw datasets with ESCAP as soon as possible in order to facilitate the preparation of the data for analysis.

There was extensive discussion on the survey questionnaires during the presentation on Measurement Errors and Review of Questionnaires. In this presentation, errors that are due to questionnaire design and content were grouped in the following categories:

- Specification Issues, Missing Questions
- Wording inaccuracies, discrepancies, translation
- Discrepancies and lack of clarity in response categories
- Questionnaire Layout or Length, Order of Questions, Skipping Patterns
- Discrepancies in reference periods

In the case of Mongolia and the Philippines, since the questionnaires were already administered there was no chance of making further modifications. Hence, the discussions were useful for the data editing and analysis stages, e.g. to check whether the data gathered corresponds to the questionnaire designed and are usable for the purposes of the project. In the case of Mongolia, the recommendation was to translate the questionnaires in Mongolian back into English in order to check if the meanings of the questions and response categories were retained. Sri Lanka is still in the process of finalizing the questionnaires so the discussions were most useful for them.

The second day began by wrapping up the presentation on Measurement Errors and Review of Questionnaires. Then the additional one-hour session of bilateral discussions with the project country groups were held. In order to facilitate a more focused discussion given the limited time, national accountants and survey statisticians held simultaneous meetings with six resource people.

National accountants from Mongolia, the Philippines and Sri Lanka worked with Ms Estrella Domingo and Mr A.C. Kulshereshtha. The second national accountant from Mongolia worked with Mr Pietro Gennari, the statistician from the Philippines worked with Ms Zeynep Orhun and the Sri Lankan statistician worked with Mr François Roubaud.

National accountants and the resource people focused on answering the set of 18 questions sent to the participants prior to the workshop. These questions focused on the national approaches to measuring the GDP of the informal sector, as defined in the country and how it is integrated into national accounts. During the discussions, questions were raised regarding the measurement of construction in the 1-2 Survey. The main problem according to the countries, which have administered the questionnaires, is that for construction activities the raw materials are reported but no output corresponding to the inputs is given. During the plenary discussion, Mr Roubaud made the point that this should not happen unless the employment status of the individual is mistakenly given as own-account worker or employer instead of employee.

The discussion with Mongolian survey statistician focused on questions regarding sampling design and the survey operations. Another question was on the inclusion of the gold-mining activities in the 1-2 Survey. The Mongolian NSO had contacted ESCAP on how to solve the problem of surveying gold miners since they work in remote parts of the country. It was decided that ESCAP would get in touch with colleagues directly involved in sampling via e-mail in order to clarify this issue. Likewise, in the case of the
Philippines, the discussion was about sampling design and survey operations. A sampling design, elaborated with help from ADB, was implemented in the Philippines. According to this design, each PSU (based on the 2003 master sample) was assigned a dominant sector, which was determined by the number of employers and own-account workers in that sector in the given PSU. The overrepresented sectors, such as agriculture were under-sampled and the LFS-based weights were modified to allow accurate extrapolation. It was revealed that questionnaires prepared in English were not translated into Tagalog (or other local languages) but the interviewers administered them in the local language. It is advisable to translate the questionnaire into at least Tagalog to minimize interviewer errors. In the case of Sri Lanka, Mr Roubaud focused on the draft Phase 1 questionnaire and the required revisions. The main problem in this questionnaire was that the question on the employment size did not ask for total employment or paid employment in the workplace clearly. Due to lack of time, discussions on the Phase 2 questionnaire were undertaken outside workshop sessions. The most important comments regarding Phase 2 were the absence of filter questions (which verify that the enterprise being interviewed is the HUEM identified in Phase 1) and the possibility of shortening the Phase 2 questionnaire.

In the next session regarding data checking and editing procedures, the presentation followed the below outline:

- Types of data errors and checks
  - Range errors, outliers
  - Consistency errors
  - Skipping pattern not respected (too many answers)
  - Missing values (item non-response error)
- Steps of data checking and editing
  - Identifying errors (examples from Phase 2 data Mongolia)
  - Correcting errors

The presentation covered examples of errors from the Mongolian data of first and second quarters. The rationale and methods of imputation were introduced as a means of correcting item non-response. The discussion then centered on elaborating common editing and imputation procedures for the essential variables of 1-2 Survey data. ESCAP committed to producing editing procedures and an imputation methodology for 1-2 Survey and making them available to the countries to be implemented using free software packages or packages that are already available to them.

Session 3 of the workshop focused on the definitions and estimations of employment in the informal sector and informal employment. Also some tabulations produced by Viet Nam were presented. The last and fourth session started with a presentation of the variables on HUEM and informal sector enterprise characteristics and policy-related variables. Again, tables that were produced in Viet Nam were presented as sample tabulations. The
countries expressed the need for assistance in coming up with standard minimum and optional tabulation plans for 1-2 Survey.

The following presentations in the fourth session focused on national accounts-related issues. Each country gave a presentation on the estimation of informal sector GDP in national accounts. In the case of Mongolia, two separate informal sector surveys were implemented with different methodologies and partial sectoral coverage in 1999 and 2003. In 2006, an enterprise census was administered which is used to estimate the contribution of sectors not covered by the earlier surveys and to adjust the results of the previous surveys for the sectors already covered. The Philippines measures the unorganized sector, which covers the informal sector among others, using residual methods. Sri Lanka cannot identify the contribution of the informal sector to GDP separately. In Sri Lanka, depending on the estimation method used for particular industries, informal sector activities may or may not be covered. For instance, for manufacturing, labour input method is used to calculate the contribution of small enterprises (less than 10 workers). On the other hand, construction activities are estimated using cement production data and excluding construction with any other kind of material. For this industry, we can say that informal sector activities are excluded. Saint Lucia does not cover informal sector activities in the GDP estimations. In the case of Viet Nam, non-farm business establishment survey follows an enterprise definition close to the international guidelines on informal sector enterprises. Thus, the data from this survey is likely to include some informal sector enterprises.

Following the country presentations, a preliminary tabulation plan with national accounts variables was presented. The last presentation of this session was an exhaustive questionnaire on data sources used for national accounts compilation. Each country was asked to complete this questionnaire and submit it to ESCAP after the workshop.

The workshop was closed with a concluding presentation which highlighted the issues that emerged during the three days and next steps (See The Way Forward below).

**Workshop materials:** The main course materials were the presentations delivered in the workshop sessions.

**Session 1:**
1. Data Collection: Methodology, Problems and Solutions (all participating countries)

**Session 2:**
1. Measurement Errors and Review of Questionnaires (ESCAP)
2. Recommended Data Checking and Editing Procedures for 1-2 Surveys (ESCAP)

Session 3:
1. Variables and Definitions from Phase 1 Data (ESCAP)
2. Analysis Plan and Tabulation Formats for Phase 1 of 1-2 Survey (ESCAP)

Session 4:
1. Variables and Definitions from Phase 2 Data—HUEM and Informal Sector Enterprise Characteristics and Policy Variables (ESCAP)
2. Analysis Plan and Tabulation Formats for Phase 2 of 1-2 Survey—Characteristics and Policy (ESCAP)
3. Variables and Definitions from Phase 2 Data—HUEM and Informal Sector GDP estimation (ESCAP)
4. Estimation of Informal Sector GDP in National Accounts (all countries)
5. Analysis Plan and Tabulation Formats for Phase 2 of 1-2 Survey—HUEM and Informal Sector GDP estimation (ESCAP)

In order to guide the country presentations and discussions, ESCAP had shared with the participants outlines on Data Collection: Methodology, Problems and Solutions and on Data Review and Editing Tools. A list of questions on the country approaches to national accounts estimation procedures for informal sector was sent to the participants to help them prepare their presentations on this topic. In addition, ESCAP presented a detailed Questionnaire on Coverage of National Accounts System to be filled out by the participants when they return to their countries.

In the additional session on survey documentation “Quick Reference for Data Archivists” was given as a supporting document to the participants.

Evaluations:

10 participants of the workshop have been asked to fill out an evaluation form after the meeting. Some highlights are as follows:

- 7 participants thought that the duration of the workshop was adequate and 2 participants found it too short;
- 8 participants thought the organization of the workshop by ESCAP was very good, 1 participant found it good and 1 found it adequate;
- 5 participants thought the conduct of the workshop by ESCAP was very good, 3 participants found it good and 1 found it adequate;
• 3 participants thought the timing of the distribution of the documents was very good and 7 participants found it good;
• 3 participants found the comprehensiveness of the documents very good, 6 participants found it good and 1 found it adequate;
• 6 participants thought that the travel and hotel arrangements were very good, 3 participants found they were good and 1 found they were adequate;
• 6 participants thought the topics covered in the workshop were very useful, 2 participants found they were useful and 1 found they were adequate;
• 4 participants found the introduction of new approaches and techniques very useful, 4 participants found it useful and 2 participants found it adequate;
• 8 participants found the topics very useful for their long-term professional work and 2 participants found it useful;
• All the 10 participants thought the meeting achieved its objectives. In particular some of them thought so because:
  o It can be very helpful to improve the statistical capacity of the countries involved;
  o It favored a fertile debate both on theoretical and practical issues;
  o Its impact both at regional and national level will be really positive, as stated below;
  o The proposed tabulation plan for analysis was really good;
  o The ESCAP secretariat has conducted the whole workshop very well.

At the same time one person pointed out that some extra time to discuss specific problems would have been useful.

According to some participants, the impact at regional and national level will be to:
Encourage more countries to adopt the 1-2 approach for the analysis of informal sector and informal employment;

Help members in processing data and producing results on IS;

Contribute to further progress in implementing the IS analysis;

Push members to conduct the required surveys earlier and to integrate the results into national accounting;

Improve measurement of GDP;

Institutionalize an instrument to gather data on IS.

Some further activities that ESCAP might take as a follow-up to this meeting are:

Workshops concerning the documentation of results;

Further help on methodologies to estimate IS from the HUEM surveys and on editing specification;

Provide experts for GDP estimation;

A longer workshop on methodologies to measure IS;

Further workshops to promote a closer contact within participants;

Provide a guideline book and the tool-kit for the documentation of surveys;

Ensure that agreements are respected.

Finally, participants are thankful to ESCAP for organizing such a useful workshop.

**The Way Forward:**

In the concluding presentation, all countries were asked to submit:

- Final versions of questionnaires in English and in the local language
- Information on sampling design and weighting immediately and start detailed documentation of survey using IHSN Microdata Management Toolkit (sampling, data collection and processing)
- Data editing procedures for Phase 1 and Phase 2
- Information on data processing software
- Unedited “Raw” datasets for Phase 1 and Phase 2
• Detailed information on data sources and compilation methods for national accounts (Questionnaire on Coverage of National Accounts System)

Meanwhile, ESCAP committed to:

• Organizing missions to each country to provide support at different stages of implementation
• Providing common tools and procedures for data checking and editing (along with imputation)
• Providing guidelines on extrapolation for population estimates from 1-2 Survey data
• Providing a minimum set of (and optional) tabulations to be prepared using data from Phase 1 and Phase 2 and country report outlines
• Providing guidelines on calculation of HUEM and informal sector GDP and integration into national accounts

The next workshop for the pilot countries will be on estimating HUEM and informal sector GDP using 1-2 Survey data and integrating these estimates into national accounts. In addition, the pilot countries expressed the need for assistance in producing the country reports and ESCAP is planning to organize a specific workshop on this.