



Regional Course on SDGs Indicators: Measuring decent work using microdata from labour force surveys

Group work – Deriving informality with STATA

Chiba (Japan)
30 September – 4 October 2019

Exercise – Based on Nepal Labour Force Survey Questionnaire – 2017

Find the relevant questions that are necessary to measure

- Formal Sector
- Households
- Informal Sector

Answers

- Formal Sector : Institutional Sector (D13=1,2,5); Incorporated company (D14=1); Registration (D14=1) or Bookkeeping (D16=1)
- Households : Institutional Sector (D11a=6). It can be based as well on ISIC=97 (Activities of households as employers of domestic personnel) or ISCO=63 (Subsistence farmers, fishers, hunters and gatherers)
- Informal Sector : everyone in employment not classified in formal sector or household.

Find the relevant questions that are necessary to measure

- Formal Employment
- Informal Employment

Answers

- Status in Employment (D03) is the key variable as a basis
- Formal Employment
 - If D03=3,4 (Employers + Own-account workers) -> Formal Employment = Formal Sector.
 - If D03=1,2 (Employees) and D08=1 (employer contributions). For those who don't know in D08, questions D09=1 (paid annual leave) and D10=1 (paid sick leave).
- Informal Employment
 - If D03=5 (Contributing family workers) – Informal Employment directly
 - If D03=3,4 (Employers + Own-account workers) -> Informal Employment = Informal Sector.
 - If D03=3,4 (Employees) and D08=2 (no contribution to pension). For those who don't know in D08, no positive answers to both D09 and D10.