

GUIDELINES ENDORSED BY THE INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS :

Guidelines on the implications of employment promotion schemes on the
measurement of employment and unemployment, endorsed by the
Fourteenth International Conference of Labour Statisticians
(October-November 1987)

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7. There was general agreement that the definitions of employment and unemployment adopted by the Thirteenth International Conference of Labour Statisticians (1982) did not at present require revision for the purpose of classifying the participants in the employment promotion schemes described in Chapter IV into the major categories: employed, unemployed, not in the labour force. It was, however, felt that the application of those standards in particular circumstances could usefully be elaborated.

8. In this context it was stressed that according to the international definition of employment, being "at work" meant having contributed to the production of goods and services as defined by national accounting, in exchange for a wage or salary, in cash or in kind, for at least one hour during the reference period (one week or one day).

9. The "one hour of work" criterion of the international definition of employment was carefully examined and there was unanimous agreement that this criterion should not be changed, as it would destroy the basic structure of the labour force framework embedded in the international standards on statistics of employment and unemployment and it would lead to inconsistencies with the United Nations System of National Accounts and standards concerning other related bodies of statistics. It was emphasized however that the employment data should be classified by hours of work and that countries should make further use of the concept of visible underemployment as already recommended by the international standards.

10. With respect to the statistical treatment of participants in job-training schemes, it was generally agreed that:

- a) when training took place within the context of the enterprise, it could be assumed that participants, like apprentices, were associated with the production of goods and services of the enterprise, at least for an hour during the reference period (one week or one day), and in that case the participants should be considered as "at work" and classified as employed, whether the employer or another entity paid the wage or salary;
- b) when training did not take place within the context of the enterprise, or inside the enterprise but without association with the production activity of the enterprise), the statistical treatment would depend on whether or not the participant was employed by the enterprise before the training period (including cases classified as employed under a) above):
 - (i) if employed by the enterprise before the training period, the participant should continue to be considered as employed while on training if he or she maintained a "formal job attachment", as set forth in the international definition of employment in paragraph 9(1)(a2) of Resolution I of the Thirteenth International Conference of Labour Statisticians.

In this context, to establish whether or not “formal job attachment” exists, the criterion of “assurance of return to work” should be considered to be the essential one. “Assurance of return to work” should be interpreted as assurance to return to work with the same employer.

In situations where such assurance to return to work did not exist, “formal job attachment” should be assessed on the basis of the criterion of “continued receipt of wage or salary”. That criterion should be considered as satisfied if the employer paid directly all or a significant part of the wage or salary.

The third criterion, “elapsed duration of absence”, might also be used in particular situations, e.g., in connection with long-term training schemes;

- (ii) if the participant was not employed by the enterprise before the training period, the participant could not be considered as “with a job but not at work” and the notion of “formal job attachment” would not apply. Consequently, if the scheme provided a definite commitment to employment at the end of training, the statistical treatment might follow that of persons who had made arrangements to take up employment at a date subsequent to the reference period (see paragraph 10(4) of Resolution I of the Thirteenth International Conference of Labour Statisticians).

11. Regarding the “seeking work” criterion of the international definition of unemployment, it was agreed that the example of “registration at a public or private employment exchange” need not be reformulated but should, in general, be interpreted as follows: registration should be considered as an active step to seek work only when it was for the purpose of obtaining a job offer from the employment exchange. This precision was particularly important where participation in an employment promotion scheme was linked to registration. Consequently, where registration was simply an administrative requirement for benefiting from the provision of a scheme and not for the purpose of obtaining a job offer, the act of registration should not be considered as an active step to seek work in the sense of the international definition of unemployment.

12. The issue concerning the distinction between seeking self-employment and the self-employment activity itself was examined in the light of the schemes providing assistance to unemployed persons wishing to set up an enterprise. It was suggested that this distinction be based on the point when the enterprise started to exist, e.g., when the enterprise was registered. In situations and in countries where enterprises were not necessarily required formally to register in order to operate, it was suggested that the dividing line might be at the point when the first order was received or when the financial resources became available or when the necessary infrastructure was in place. While noting these suggestions, the Working Group decided that the present formulation of the “seeking work” criterion of the international standards did not require further specification in the respect.

13. The relevance of the concept of “visible underemployment” of the international standards was examined in relation to the employment situation of participants in certain categories of employment promotion schemes. There was agreement that the concept might indeed be useful in this context, but that it needed to be further elaborated, possibly as part of the work of a future International Conference of Labour Statisticians. Some concerns were, however, expressed as to the practical difficulties of joint measurement of visible underemployment and participation in employment promotion schemes. Visible underemployment was only measurable through household surveys. Enumeration of participants in employment promotion schemes was often best made using administrative sources.

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