

Youth labour market indicators: Computing and analysing

Benchmarking Tools and Best Practices
in Youth Employment

Sara Elder, ILO

**Lusaka
7-8 December 2009**



Session 2

- What labour market information do you need?
- Where do you find the data?
- How do you build the indicators?

Session 3

- How to tell the story of youth employment with labour market information

Agenda

Youth population broken down into:

1. Economically active (labour force)
 2. Employed
 3. Wage & salaried workers (employees)
 4. Employers
 5. Own-account workers
 6. Contributing family workers
 7. Workers in agriculture
 8. Workers in industry
 9. Workers in services
 10. Average wages or earnings of workers
11. Unemployed

List of variables

12. LF with less than primary level education
13. LF with primary level education
14. LF with secondary level education
15. LF with tertiary level education

16. Inactive (outside the labour force)
 17. Discouraged
 18. In school
 19. Other reason (housework, disabled, etc.)

20. Youth population - sum of LF (1) and inactive (16)

List of variables

Twenty variables needed to produce the desired youth labour market indicators:

1. Distribution of youth population by primary activity
2. Youth unemployment rate
3. Relaxed youth unemployment rate
4. Employment-to-population ratio
5. Distribution of employed youth by status in employment
6. Distribution of employed youth by sector of employment
7. Average wages or earnings of young workers
8. Distribution of youth labour force by educational attainment

Putting the pieces together

- Adult labour force
- Adult unemployment
- Total unemployment
- Unemployment by duration

Needed to compute:

1. ratio of youth-to-adult unemployment rates; and
2. share of youth unemployment in total unemployment
3. long-term unemployment

Other useful variables

- Household-based surveys ('persons')
 - Population census
 - Labour force survey
 - Income and expenditure survey
- Surveys of establishments ('companies')
 - Establishment survey of production
 - Employment and earnings survey
 - Occupational employment and vacation survey
- Administrative records
 - Employment office records (public or private)
 - Educational enrolment data
 - Migration records
 - Social security records
- Official estimates

Sources of labour statistics

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Congo, Democratic Republic of					OE					CWIQ				
Ecuador	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS
Ethiopia	FB	FB	FB	LFS, FB				LFS	LFS	LFS	LFS			
Ghana		CWIQ	LSS	LFS	PC			CWIQ						
Guyana		LFS				LFS	PC							
India	FB	FB	FB	FB	LFS (sample survey), FB	FB	FB	FB	FB	LFS (sample survey), FB	FB	FB	FB	
Indonesia	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS
Jamaica			LFS					LFS	LFS			LFS		
Liberia												CWIQ		
Mali		LFS				CWIQ			LFS					
Nigeria									LSS	CWIQ				
Rwanda	LFS					LFS, CWIQ	PC	CWIQ						
Senegal							LFS				LFS			
Solomon Islands				PC										
Sri Lanka	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS	LFS
Tanzania						LFS					LFS			
Togo														
Zambia	LCS		LCS		PC			LCS		LFS				

FB = Employment office records

OE = Official estimates

LCS = Living conditions survey

PC = Population census

LFS = Labour force survey

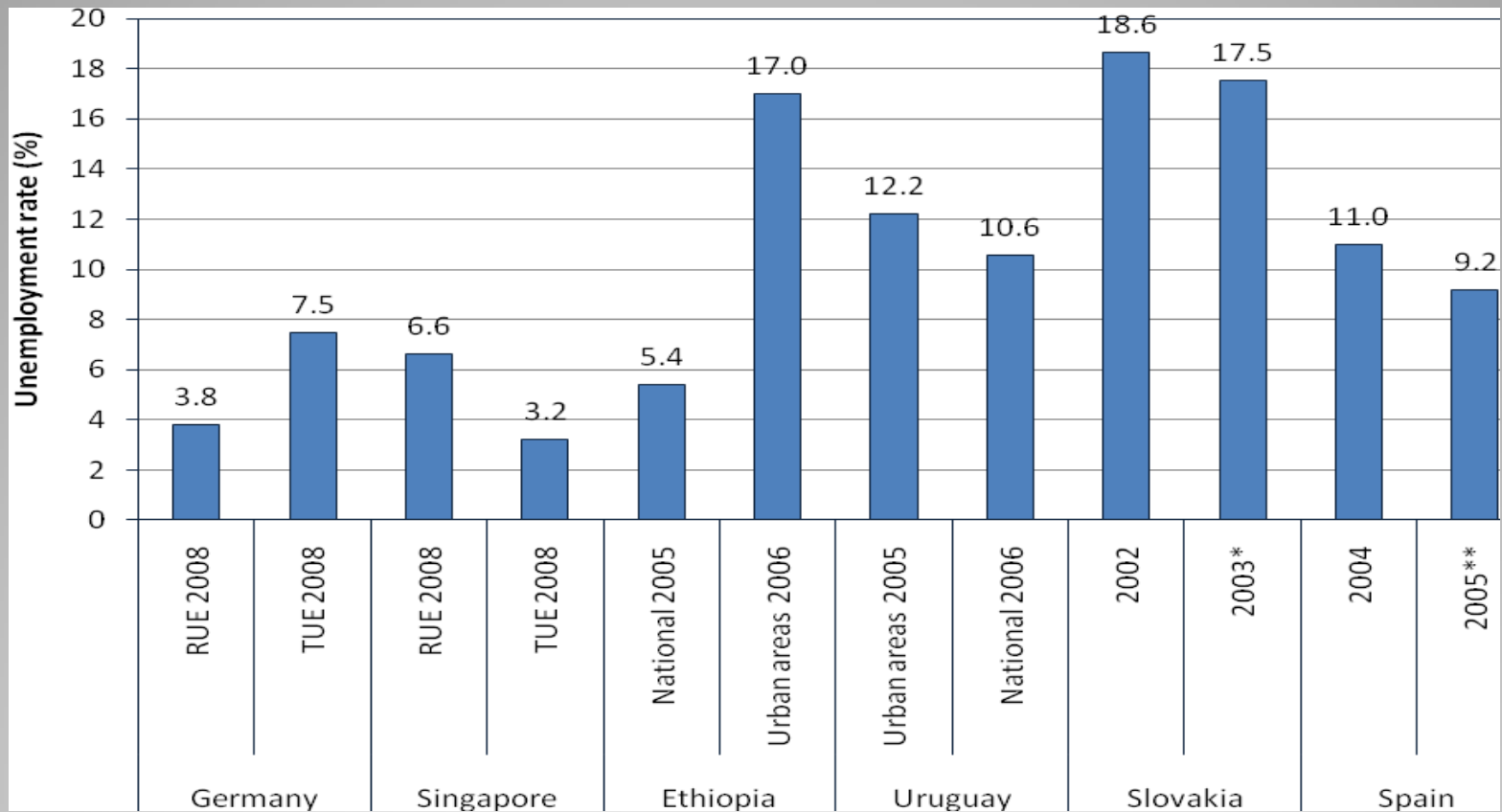
CWIQ = Core welfare indicator questionnaire (World Bank)

LSS = Living standards survey (World Bank)

Data sources that we know about

- Labour market statistics can be generated from different sources
- Comparability between sources is facilitated when using standardized national classifications, units, concepts and definitions
- Data users must be made aware that:
 - Each source has different strengths and limitations: *No single data source can meet all needs*
 - Different sources can (validly) provide differing estimates: *Know your source(s) of statistics*
 - Use of several sources can help in considering different facets of a problem, and in evaluating the quality of data obtained from each source: *Use all available sources*

Know your sources



How concepts and methodology affect results

Labour market information (number)

1	Active youth (labour force)
2	Employed youth
3	- wage and salaried workers (employees)
4	- employers

Labour market information (number)

1	Active youth (labour force)
11	Unemployed youth
13	LF with primary level education
14	LF with secondary level education
15	LF with tertiary level education
16	Inactive youth (outside of the labour force)
17	- number of discouraged youth
18	- number of youth in school
19	- number of inactive for other reason

Youth unemployment rate:


$$\frac{\text{Unemployed}}{\text{Labour force}} * 100$$

Labour force = Employed + Unemployed

Building the indicators

« Relaxed » youth unemployment rate:

Labour market information (number)	
1	Active youth (labour force)
11	Unemployed youth
17	- number of discouraged youth



Unemployed +
Discouraged

Labour force

* 100

Differs from the standard concept which includes ALL persons available but not actively seeking work regardless of reason

Building the indicators

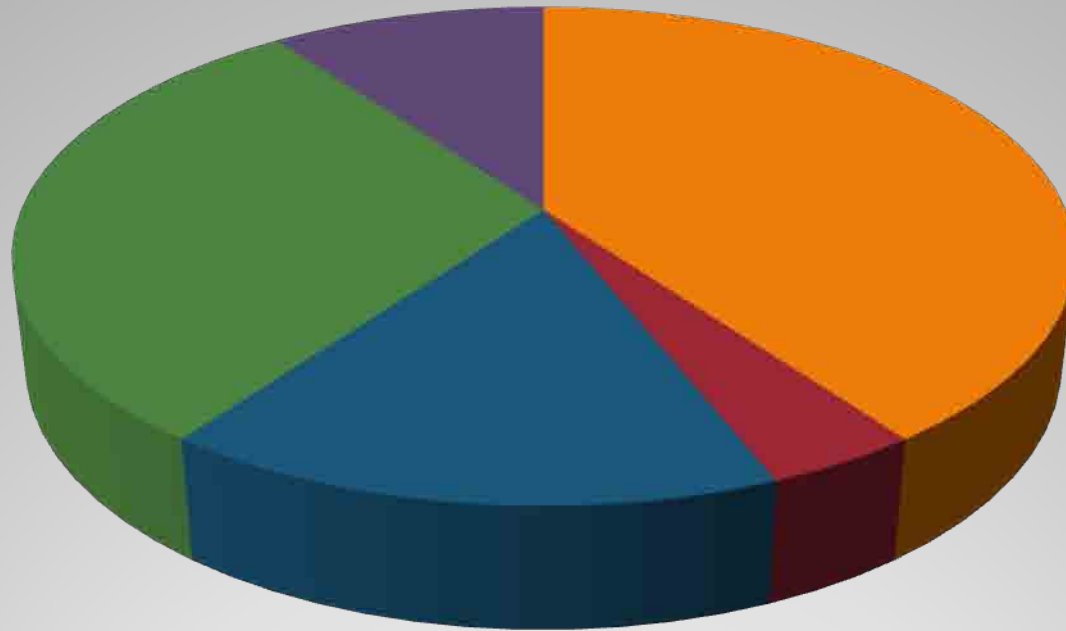
Employment-to-population ratio:

Labour market information (number)	
2	Employed youth
20	Youth population



$$\frac{\text{Employed youth}}{\text{Youth population}} * 100$$

Building the indicators



■ In school ■ Discouraged ■ Other inactive
■ Employed ■ Unemployed

Distribution of youth population by primary activity

Distribution of youth population by primary activity:

Labour market information (number)	
2	Employed youth
11	Unemployed youth
17	- number of discouraged youth
18	- number of youth in school
19	- number of inactive for other reasons
20	Youth population



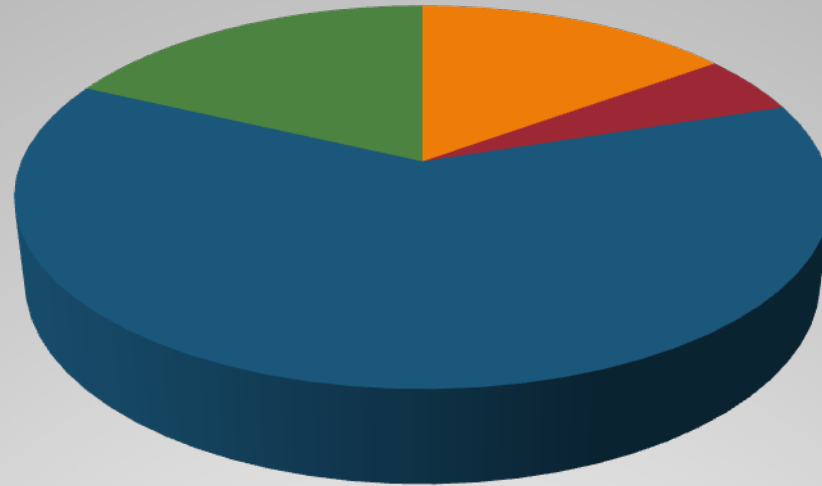
$$\text{Share in unemployment (\%)} = \frac{\text{Unemployed youth}}{\text{Youth population}} * 100$$

$$\text{Share in employment (\%)} = \frac{\text{Employed youth}}{\text{Youth population}} * 100$$

$$\text{Share in school (\%)} = \frac{\text{Youth in school}}{\text{Youth population}} * 100$$

Etc.

Building the indicators



- Wage & salaried workers (employees)
- Employers
- Own-account workers
- Contributing family workers

Distribution of employed youth by status in employment

Table 3. Status of young workers in employment, 2007-2009

Main Status	August 2007	August 2008	Feb 2009
Own account worker	2.302.232	2.113.791	2.176.000
Employer assisted temporary worker/unpaid worker	1.062.035	1.149.867	671.364
Employer assisted by permanent worker	152.845	109.058	96.100
Employee	6.450.340	6.519.946	6.556.483
Casual employee in agriculture	922.647	816.261	822.711
Casual employee not in agriculture	907.694	958.065	948.595
Unpaid worker	5.054.709	4.885.893	5.068.954
Total	16.852.502	16.552.881	16.340.207

Distribution of employed youth by status in employment:

Labour market information (number)	
2	Employed youth
3	- wage and salaried workers (employees)
4	- employers
5	- own-account workers
6	- contributing (unpaid) family workers



$$\text{Share of employees (\%)} = \frac{\text{Wage \& salaried workers}}{\text{Youth employment}} * 100$$

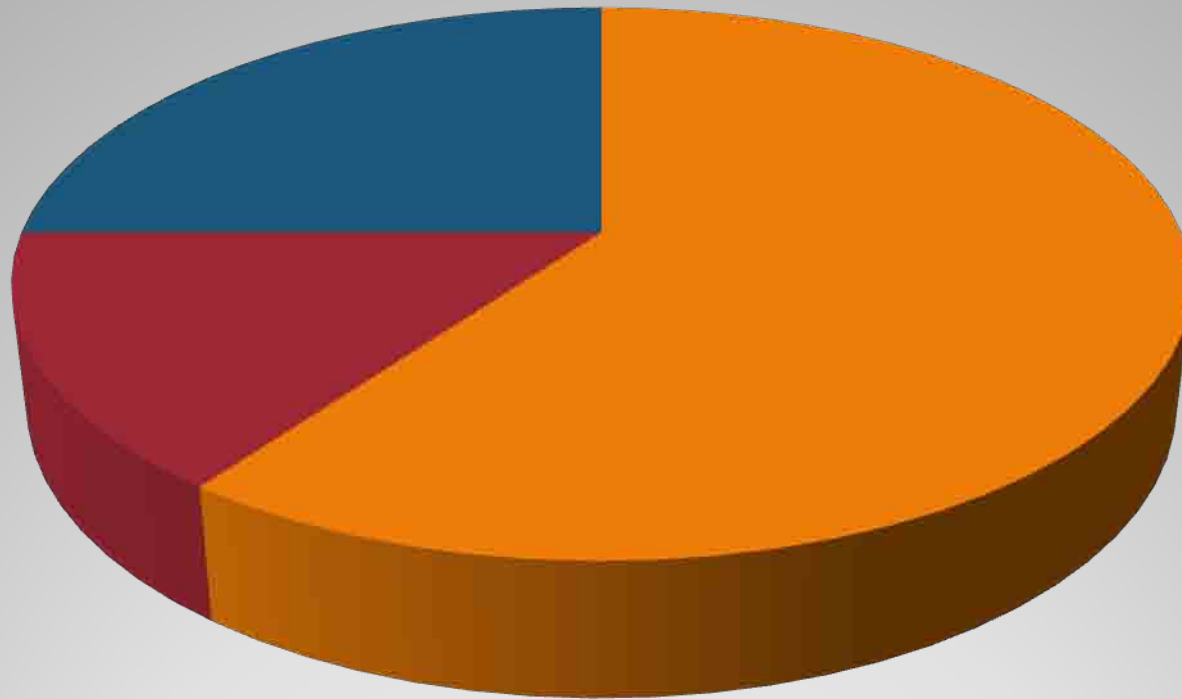
$$\text{Share of employers (\%)} = \frac{\text{Young employers}}{\text{Youth employment}} * 100$$

$$\text{Share of own-account workers (\%)} = \frac{\text{Young own-account workers}}{\text{Youth employment}} * 100$$

$$\text{Share of contributing family workers (\%)} = \frac{\text{Young contrib. family workers}}{\text{Youth employment}} * 100$$

Note: Shares of employers + own-account workers = share in self-emp

Building the indicators



■ Agriculture ■ Industry ■ Services

Distribution of employed youth by sector of employment

Distribution of employed youth by sector of employment

Labour market information (number)	
2	Employed youth
7	- working in Agriculture
8	- working in Industry
9	- working in Services

Share employed in agriculture(%) =

$$\frac{\text{Employed youth in agr}}{\text{Youth employment}} * 100$$



Share employed in industry (%)

$$= \frac{\text{Employed youth in ind}}{\text{Youth employment}} * 100$$

Share employed in services (%) =

$$\frac{\text{Employed youth in svcs}}{\text{Youth employment}} * 100$$

Test: Shares in agriculture + industry + services = 100

Building the indicators

Tabel 5. Youth employment by Sector, 2007-2009

Activity	August 2007	August 2008	Feb 2009
Agricultural	6.338.517	5.882.019	5.898.645
Mining	200.923	189.113	212.399
Industry	3.128.447	2.925.513	2.798.470
Electricity, Gas and Water	20.353	20.270	16.930
Construction	861.052	843.087	661.262
Wholesale Trade	3.434.800	3.512.344	3.516.869
Transportation, storage and communication	975.736	958.775	882.460
Financing	244.380	240.594	238.363
Community, social and personal services	1.648.294	1.981.166	2.114.809
Total	16.852.502	16.552.881	16.340.207

Average wages or earnings of young workers:

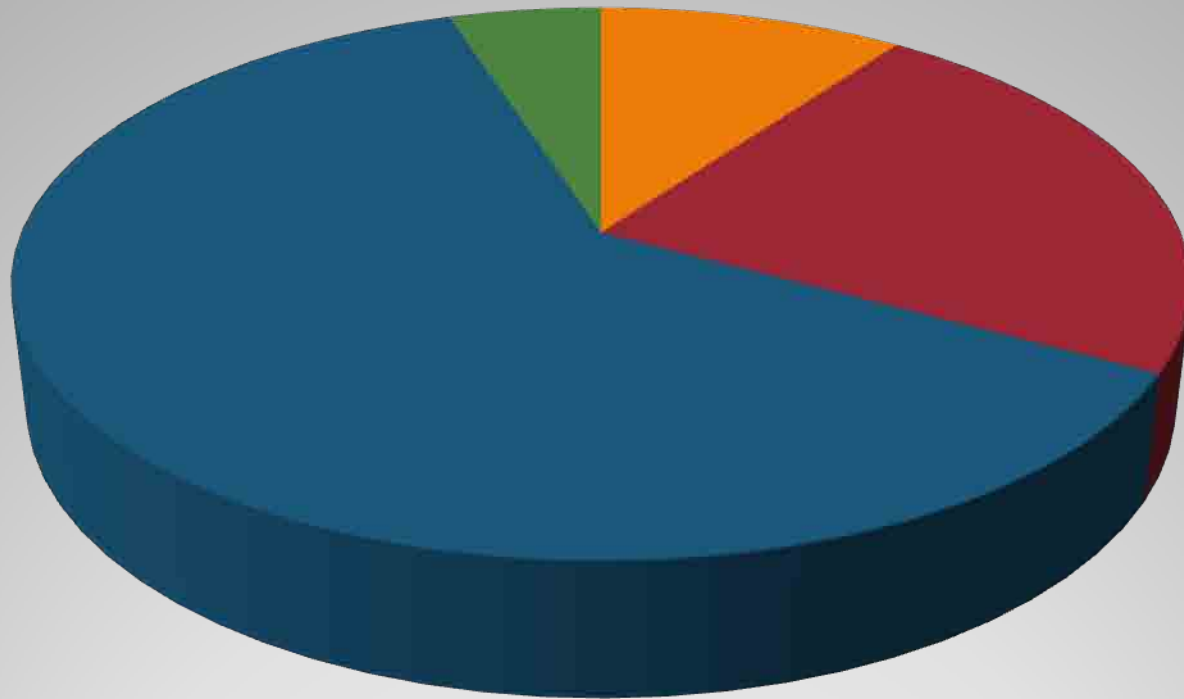
Labour market information (number)	
10	- average wages or earnings of young workers



Average wages
or earnings of
young workers

No additional calculation required

Building the indicators



■ Less than primary ■ Primary ■ Secondary ■ Tertiary

Distribution of youth labour force by educational attainment

Distribution of youth labour force by educational attainment:

Labour market information (number)	
1	Active youth (labour force)
12	LF with less than primary level education
13	LF with primary level education
14	LF with secondary level education
15	LF with tertiary level education



$$\text{Share with less than primary level (\%)} = \frac{\text{Youth LF with less than primary}}{\text{Youth labour force}} * 100$$

$$\text{Share with primary level (\%)} = \frac{\text{Youth LF with primary level}}{\text{Youth labour force}} * 100$$

$$\text{Share with secondary level (\%)} = \frac{\text{Youth LF with secondary level}}{\text{Youth labour force}} * 100$$

$$\text{Share with tertiary level (\%)} = \frac{\text{Young LF with tertiary level}}{\text{Youth labour force}} * 100$$

Test = shares with less than primary + primary + secondary + tertiary = 100

Building the indicators

Tabel 7. Educational Attainment of the youth labor force, 2007-2009

Educational	August 2007	August 2008	Feb 2009
No Schooling	185.873	201094	197.577
Did Not Completed/Not yet Completed Primary School	1.230.566	1158468	1.237.807
Primary School	6.792.172	6081863	5.980.569
Junior High School	6.607.404	6109936	5.917.746
Senior Highschool (general)	4.472.841	4.690.540,00	4.463.559
Senior Highschool (Vocational)	2.371.659	2.439.170,00	2.358.757
Diploma I/II/III	516.295	554.411	567.893
University	335.728	348.416	342.452
Total	22.512.538	21.583.898	21.066.360

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Agenda

Using indicators that measure

1. Capacity
2. Performance and well-being

To determine progress toward goal to:

“Achieve full and productive employment and decent work for all, including women and young people” (MDG target 1b)

**Building a story on youth
employment**

Capacity of the economy to utilise the youth labour market potential

Specifically, we are looking to answer:

- § What does the youth labour market look like?
- § Are young people disadvantaged?
- § What are most youth doing?
- § Are the youth who want to work finding work?

Quantitative indicators

Measuring capacity

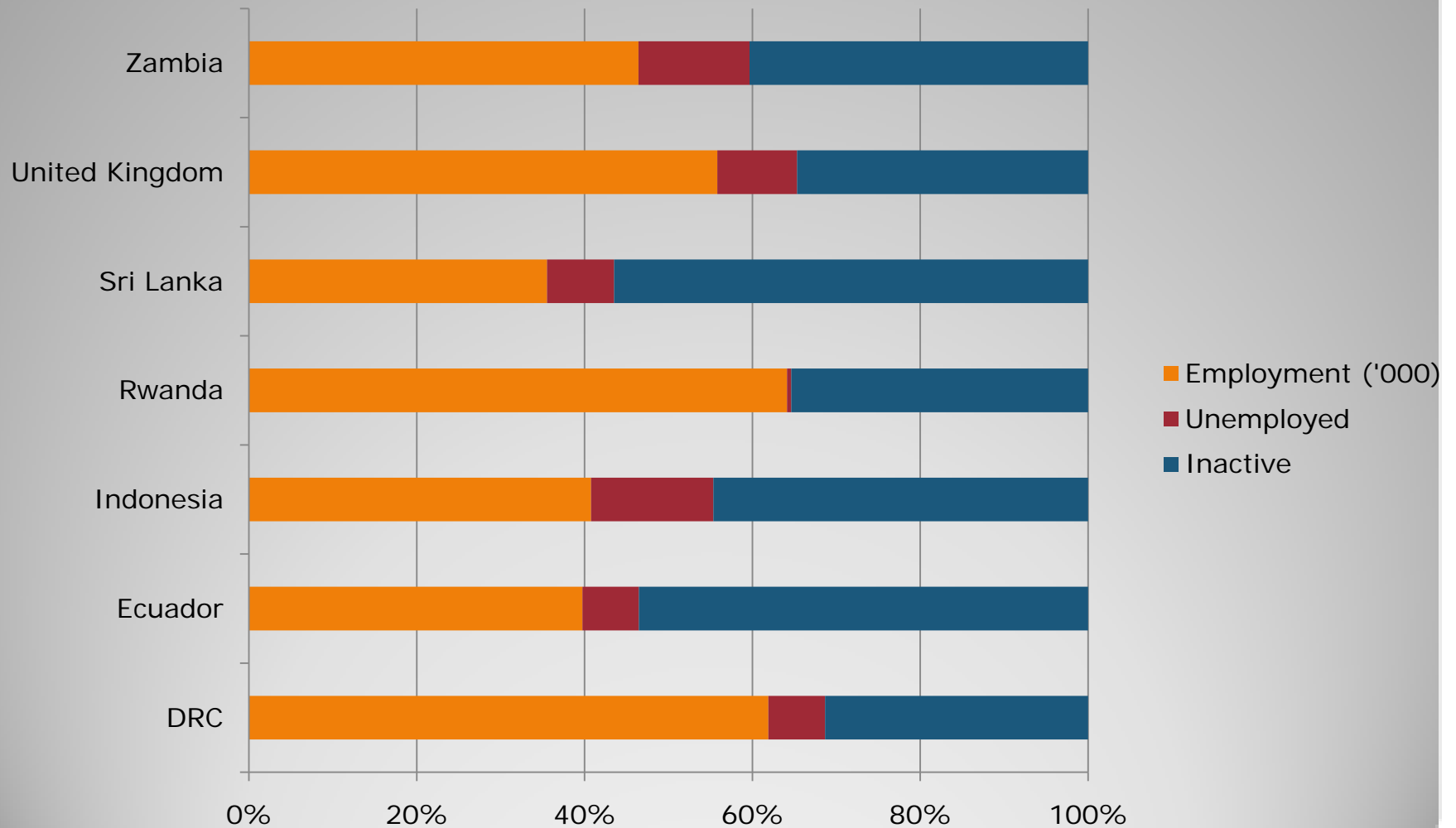
1. Distribution of youth population by primary activity
2. Youth unemployment rate
3. Relaxed youth unemployment rate
4. Employment-to-population ratio

Interpreting levels and trends

Share	Very low	Very high	Global avg	Increasing	Decreasing
Inactive	Bad	Bad	20-50%	Good if driven by educ; bad if discouragement	Good if from high level; good if fall in discouragement
Employed	Bad	Bad	40-60%	Good if decent emp; bad if poverty-driven	Good if driven by educ; bad if demand driven
Unemployed	Bad	Bad	10-20%	Bad	Good but beware of disc.

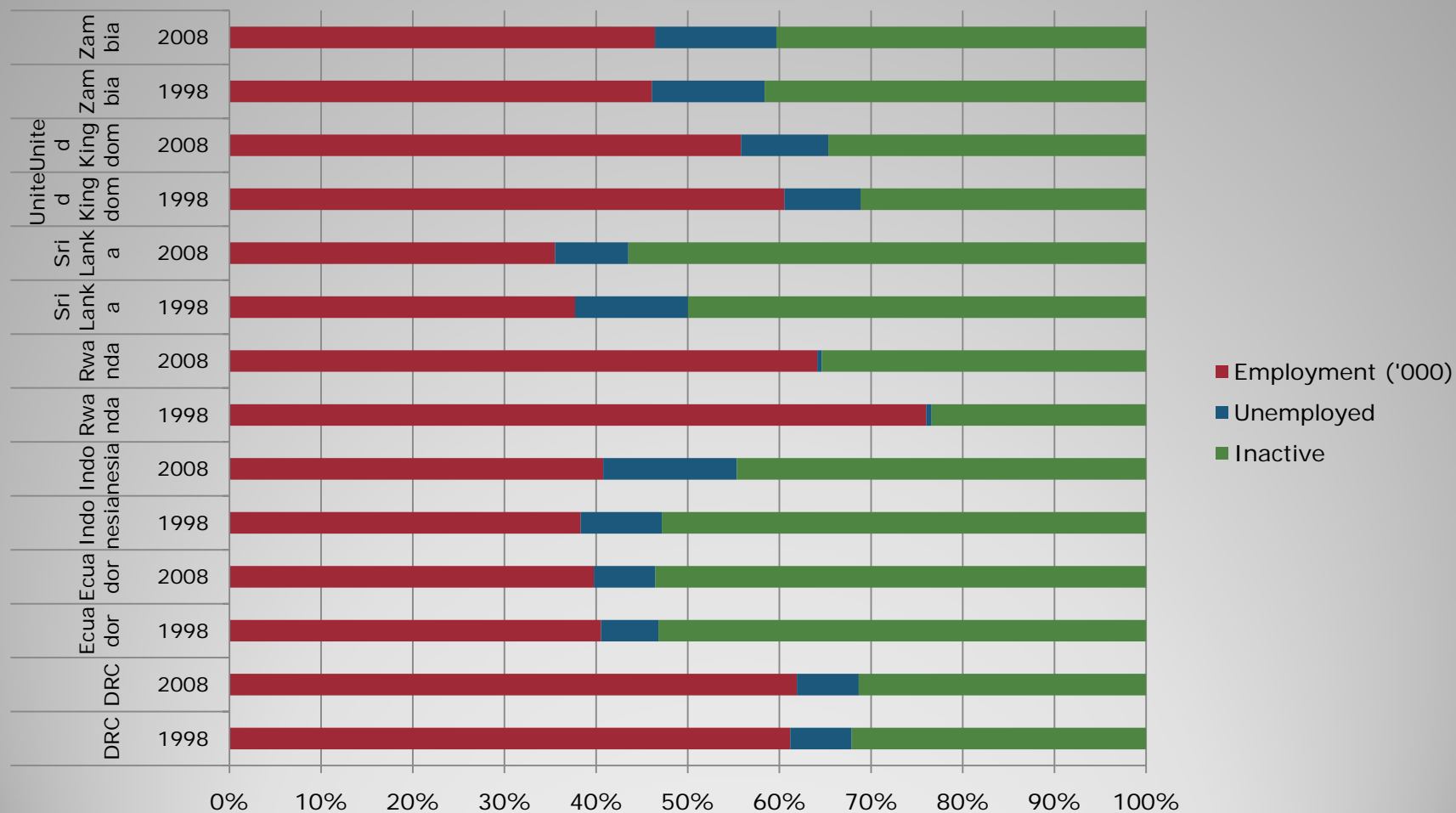
Interpreting levels and trends

Distribution of youth population by activity status, 2008

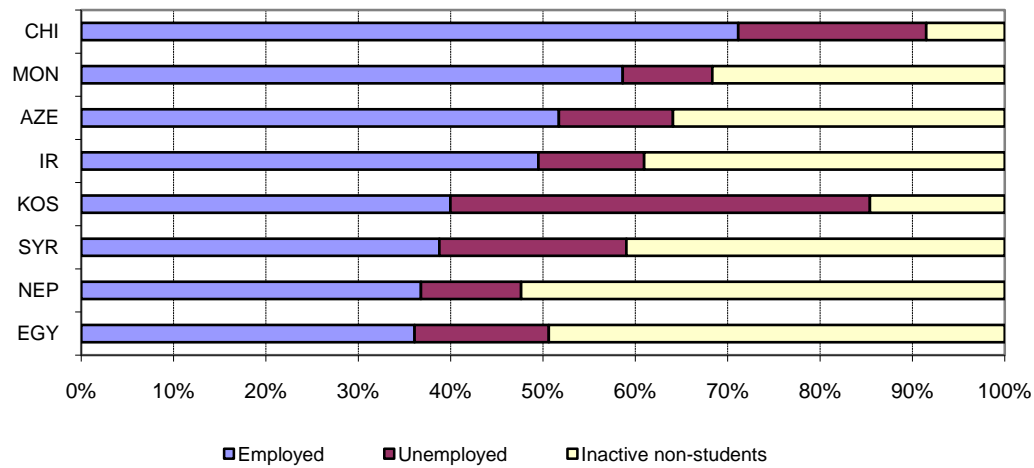


Source: ILO: Key Indicators of the Labour Market, 6th edition (2009)

Distribution of youth population by activity status, 1998 and 2008

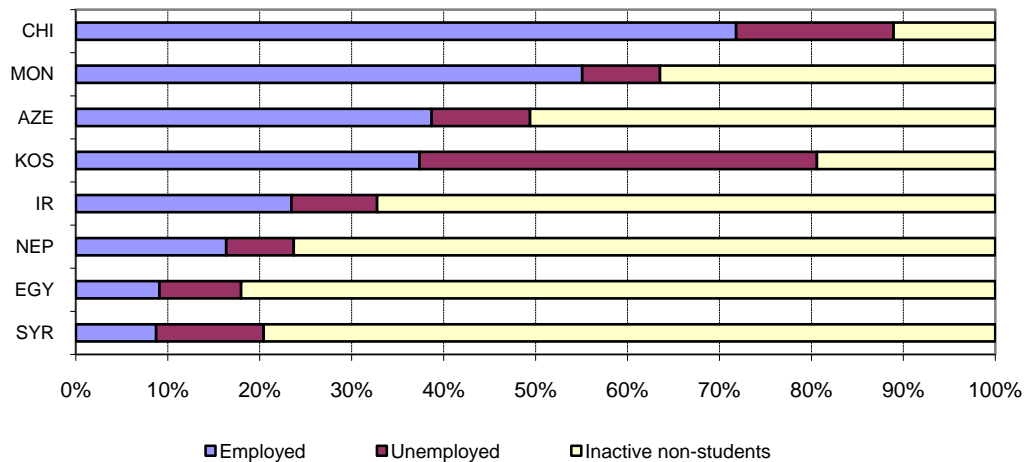


Source: ILO: Key Indicators of the Labour Market, 6th edition (2009)



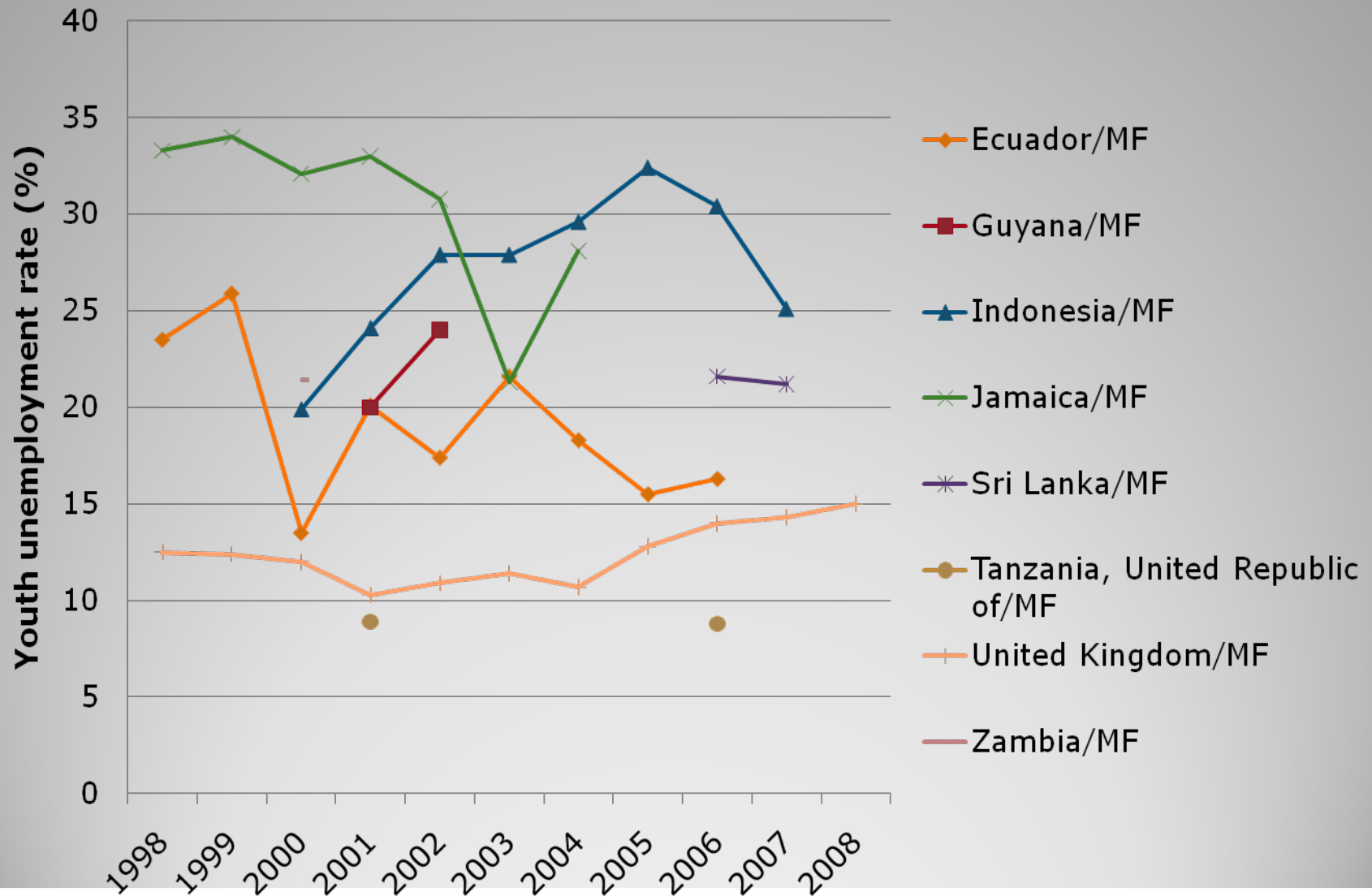
Distribution of youth non-student population by activity status

Both sexes



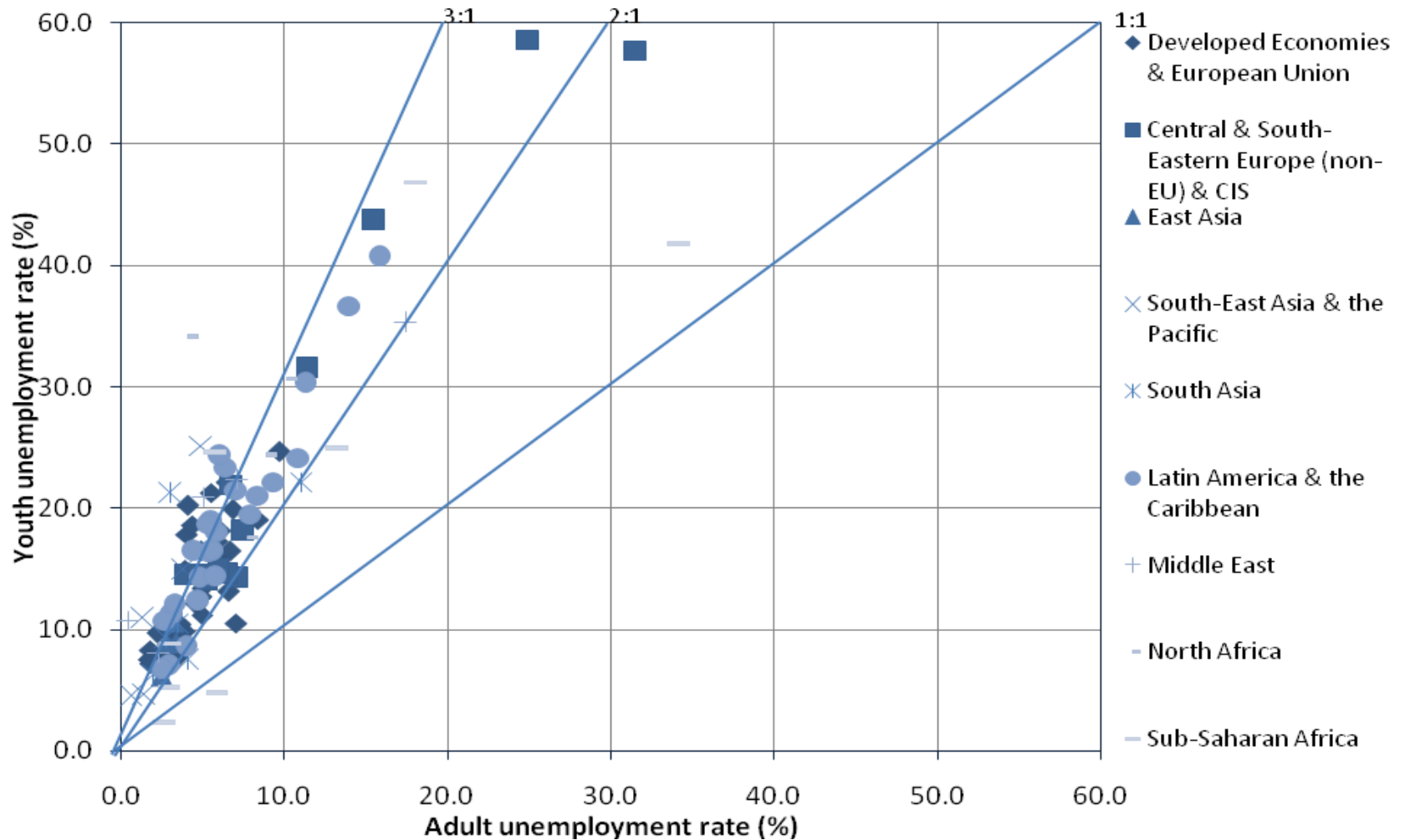
Young women

Youth unemployment rates, 1998-2008



Source: ILO: Key Indicators of the Labour Market, 6th edition (2009)

Youth and adult unemployment rates, latest years



Characteristics of youth labour markets

Specifically, we are looking to answer:

- § In what sectors do we find youth working?
- § What are the institutional arrangements of working youth?
- § How many hours are youth working?

Quantitative indicators with qualitative value

Performance

Adding judgement values to labour market characteristics to generalize “decent work”

- § Vulnerable employment
- § Working poverty
- § Excessive hours
- § Access to benefits

Well being

own-account workers + contributing family workers
(i.e. household enterprise workers)

Some reasons to define these groups as vulnerable:

- Irregularity and instability in income position
- Greater chance of lacking social security and social protection
- Lack of possibilities of a unified voice in labour relations (trade unions)
- Generally low education levels
- Generally low chance of an improvement in the labour market situation

Vulnerable employment

Distribution of employment by status, selected countries, latest years

