



# Labour Force Framework: Concepts, Definitions, Issues and Classifications

Monica D. Castillo

Chief, Decent Work Data Production Unit

ILO Department of Statistics – Geneva

[castillom@ilo.org](mailto:castillom@ilo.org)

National Labour Market Information Training Programme  
Port of Spain, Trinidad and Tobago

31 October – 11 November 2011



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# What are labour statistics?

- **Labour statistics:** A field concerned with the collection, organization, and interpretation of data about labour-related phenomena.
- Represents a part of official national statistics
- Focus on labour markets

## Statistics about labour demand

- Enterprises
- Vacancies
- Jobs

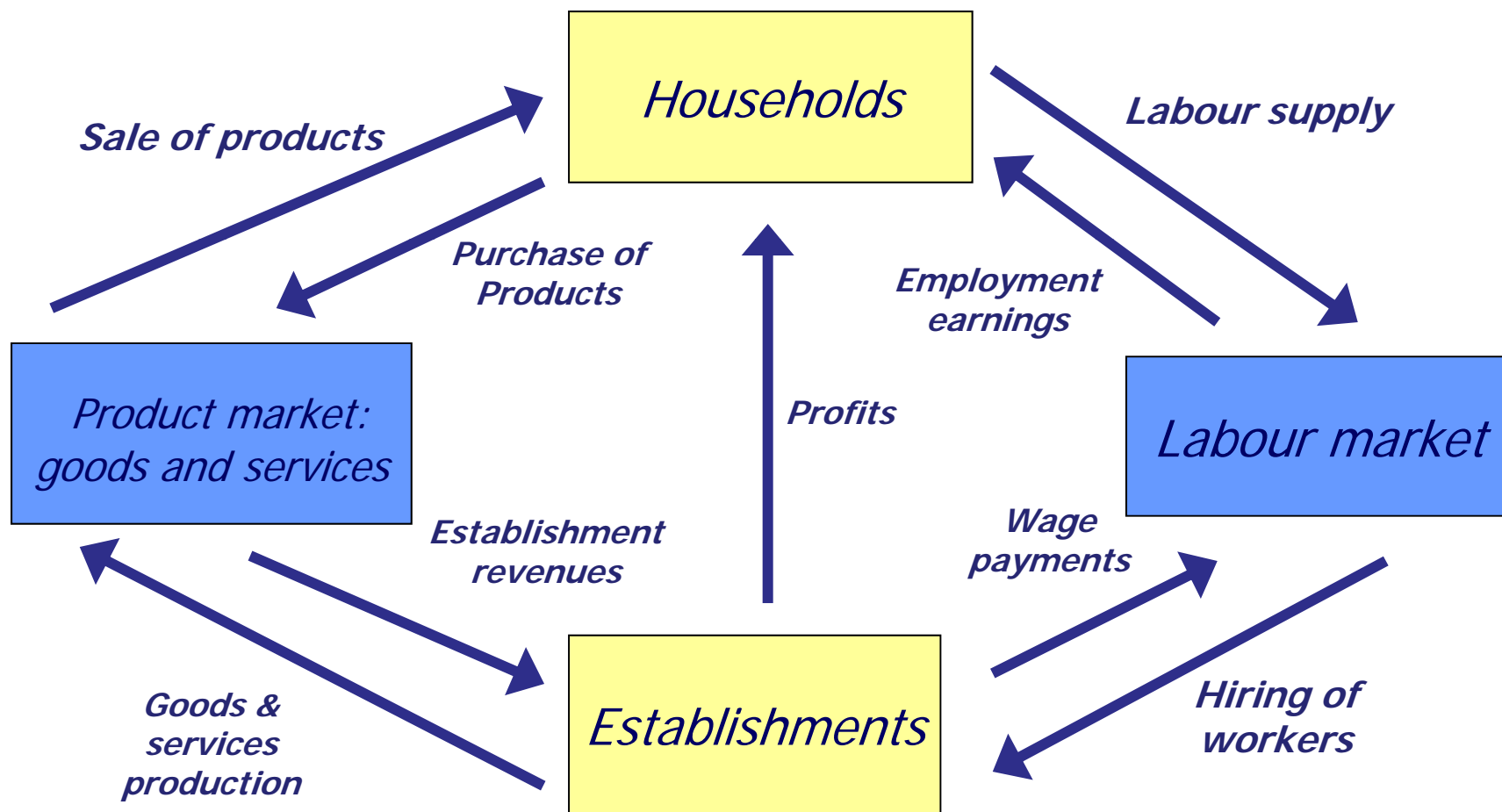
## Statistics about labour supply

- Employed
- Unemployed
- Not in labour force

- Multidimensional
  - Economic & social perspectives
  - Macro & micro perspectives



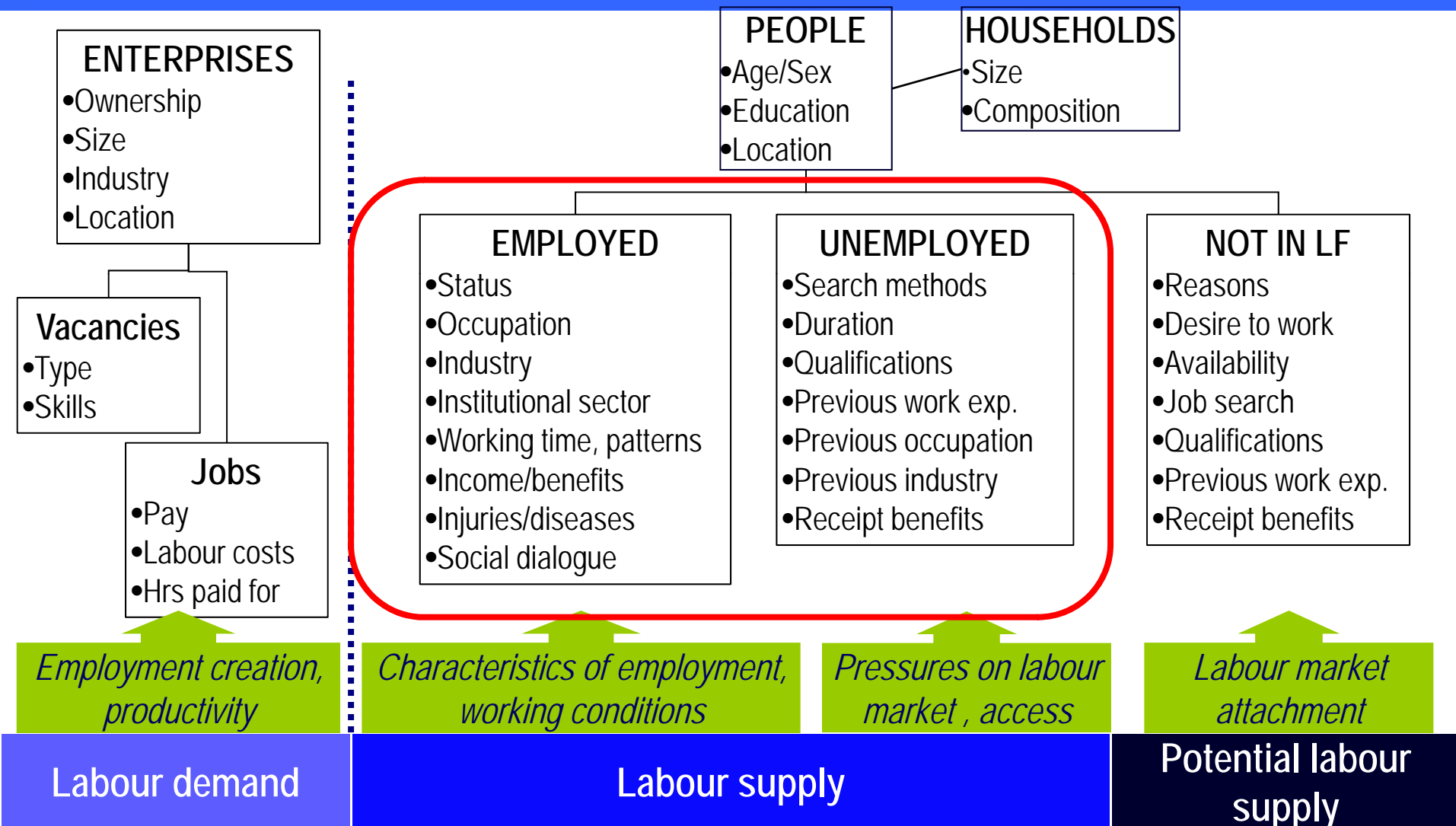
# Simplified Diagram: Flows Linking the Product Market with the Labour Market



Note: Some types of self-employment, public sector, capital market and other key elements of the economy not shown.



# Scope: Labour & labour force statistics





# Uses

- Macro-economic monitoring
  - Jobs crisis currently in several developed countries, social unrest
- Formulate, implement policies & programmes
  - Employment creation
  - Human resource development
  - Poverty reduction
  - Income support & social assistance programmes
- Monitor progress towards & attainment of goals
  - Decent Work Agenda



# Relevance

## Policy instruments

- Macro-economic Policies
- Poverty Reduction Strategy
- Labour Market Policies
- Employment policy
- Sectoral Policies
- Micro and Small Enterprise Development Policies
- Skill Development Policies
- Gender Policies



## Statistical planning

- National Strategies for Development of Statistics
- Statistical data collection plans
- Labour statistics & indicators





# International standards on labour statistics

- International standards on labour statistics are of two types:
  1. Conventions and Recommendations adopted by the International Labour Conference (ILC)
    - Part of International labour code
    - Conventions: Legally binding in ratifying countries;
    - Recommendations: Non-binding
  2. Resolutions and Guidelines adopted by the International Conference of Labour Statisticians (ICLS)
    - Resolutions:
      - Non-binding
      - Provide detailed guidelines on conceptual frameworks, operational definitions and measurement methodologies
    - Guidelines
      - Non-binding; provide guidance on very specific topics, areas





# International labour statistics standards – adopted by the ICLS

- Reviewed and adopted by the International Conference of Labour Statisticians (ICLS)
- Provide guidance to countries
- Promote international comparability of labour statistics
- Promote coherence in concepts & methods across sources & domains





# Labour Statistics Convention (160) and Recommendation (170), Adopted by the ILC

- Provide basic framework for progressive development of national labour statistics programmes
- Applicable in countries at all levels of development
- Promote application of appropriate methodologies
- Require consultation with employers and workers
- Convention No. 160 adopted in 1985 (replaced C 63)
  - Sets out minimum guidelines encompassing all areas of basic labour statistics; web link: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C160>
- Recommendation No. 170, (non-binding instrument)
  - Provides further guidance regarding frequency of data collection, recommended disaggregations of statistics, and on national statistical infrastructures; web link: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R170>



# Topics of ICLS Resolutions & Guidelines

- Economically active pop., employment, unemployment
- Underemployment
- Working time
- Employment-related income
- Informal sector employment
- Informal employment
- ISCO (occupations)
- ICSE (status in employment)
- Child labour
- Household income and expenditure statistics
- Consumer price indices
- Occupational injuries
- Strikes and lockouts
- Social security
- Collective agreements
- Labour costs
- Gender mainstreaming
- Dissemination practices

<http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/lang--en/index.htm>



# Main ICLS resolutions on LF statistics currently in force

- Statistics of the economically active population, employment, unemployment and underemployment (13<sup>th</sup> ICLS, 1982)
- Measurement of underemployment and inadequate employment situations (16<sup>th</sup> ICLS, 1998)
- Statistics of employment in the informal sector (15<sup>th</sup> ICLS, 1993)
- Measurement of working time (18<sup>th</sup> ICLS, 2008)



# ICLS Guidelines on LF statistics currently in force

- Implications of employment promotion schemes on the measurement of employment and unemployment (14th ICLS, 1987)
- Treatment in employment and unemployment statistics of persons on extended absences from work (16th ICLS, 1998)
- Statistical definition of informal employment (17th ICLS, 2003)



# Key labour force framework concepts

- Overview of key labour force framework concepts and definitions
  - Production Boundary (System of National Accounts concept)
  - Working-age population
  - Employment
    - Time-related underemployment
  - Unemployment
  - Economically active population
  - Not economically active population



# Working Group for the Advancement of Employment and Unemployment Statistics – Topics under discussion for draft resolution 19<sup>th</sup> ICLS in 2013 (1)

- **Conceptual framework for employment and work statistics**
  - Current framework
  - Productive activities in the framework and links with SNA
  - Approaches for update of the conceptual framework
  - Concepts, terminology and definitions
- **Specific groups and the labour force: Conceptual and measurement issues**
  - Persons engaged in the production of goods mainly for own final use
  - Volunteers
- **Measurement framework for labour force statistics**
  - Usual activity framework
  - Current activity framework
  - Age thresholds
  - Reference population(s)
- **Employment**
  - Operational definition and components
  - Treatment of specific groups (Contributing family workers, Unpaid apprentices and trainees)
  - Absences from employment



# Working Group for the Advancement of Employment and Unemployment Statistics – Topics under discussion for draft resolution 19<sup>th</sup> in ICLS (2)

- **Unemployment**
  - Operational definition
  - Active job search
  - Availability for work
  - Treatment of specific groups
- **Persons not in the labour force**
  - Operational definition
  - Classification(s)
- **Measures to supplement the unemployment rate**
  - Objectives and Scope
  - Components
  - Relation with other indicator sets (Decent Work & Quality of Employment)
- **Underutilization and underemployment**





# The System of National Accounts (SNA) Production Boundary (1)

- Key labour statistics concepts are defined in reference to the System of National Accounts (SNA) production boundary.
- The SNA is the internationally agreed standard set of recommendations on how to compile measures of economic activity; web link:  
<http://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>
- **The SNA includes within the production boundary:**
  - all production (goods & services) actually destined for the market, whether for sale or barter,
  - all production (goods & services) provided free to individual households or collectively to the community by government units or non-profit institutions serving HHs
  - all production of goods for own use, but excludes all production of services for own final consumption within households (except for the services produced by employing paid domestic staff and the own-account production of housing services by owner-occupiers)
    - Note: Own-account production of housing services by owner-occupiers is not included for purposes of measuring employment-relevant activities.



# The System of National Accounts (SNA) Production Boundary (2)

Inclusions in and exclusions from production	
Inclusions	Exclusions
Individual or collective goods or services supplied (or intended for supply) to other units.	Domestic and personal services produced and consumed within the same household, apart from those of paid domestic staff and owneroccupied dwellings as listed under Inclusions. Examples:
Goods retained by their producers for their own final consumption or gross fixed capital formation, the latter including fixed assets such as construction, software development and mineral exploration.	Cleaning, decorating and maintenance of the dwelling, to the extent that these activities are commonly undertaken by tenants.
Own-account production of housing services by owner-occupiers.	Cleaning, servicing and repair of household durables.
Domestic and personal services produced by employing paid domestic staff.	Preparation and serving of meals.
Ownership and management of buildings and other assets.	Care, training and instruction of children.
Voluntary activities that result in goods (e.g. construction of buildings).	Care of sick, infirm or old people.
	Transportation of members of the household or their goods.

Note: Activities are not excluded on the grounds that they are illegal or not registered with public authorities



# Labour force framework: History

- Introduced as international standard by 6<sup>th</sup> ICLS (1947)
- Revised by 8<sup>th</sup> ICLS (1954) and 13<sup>th</sup> ICLS (1982)
- Focus on job creation as an economic challenge rather than unemployment as a social problem
- Measurement of pressure on the labour market in terms of current supply of labour (integrated measurement of employment and unemployment)



# Labour force framework (1)

## Main features:

- Small number of categories (employed, unemployed, not economically active)
- Heterogeneity within categories
- Categories exhaustive and mutually exclusive
- Joint measurement of the categories
- Priority rules ( 1. Employment, 2. Unemployment, 3. Not in labour force) and their impact on questionnaire design
- Activity principle (work, active job search) ensures objectivity of measurement
- Short reference period minimizes recall errors and improves data accuracy



# Labour force framework (2)

- Employed, unemployed, not economically active: top level of classification by labour force status.
- **Important distinctions:**
  - **Employed:** fully employed vs. underemployed, quality of employment (income, skills utilisation, job security, legal & social protection, etc.)
  - **Unemployed:** first job seekers vs. persons with previous work experience, duration of unemployment, coverage by unemployment insurance, etc.
  - **Not economically active:** degree of labour market attachment (e.g. discouraged workers).



# One-hour criterion for measurement of employment

## Reasons:

- Inclusion of all employment in accordance with priority rules of labour force framework
  - Ensures that employment, unemployment, inactivity are mutually exclusive and exhaustive categories
  - Covers all types of employment including short-time work, casual work, stand-by work, & other irregular employment
- Coherence between national accounts and employment statistics: ensure that aggregate level total labour input corresponds to total production
- Definition of unemployment as a situation of total lack of work (zero hours of work during reference period)
  - Other definition of unemployment not accepted at the international level
  - Definition of time-related underemployment (= partial lack of work) as a sub-category of employment



# Concept: Economically Active Population

 Total population

*Economically Active Population*  
*Labour force*

Employed

Unemployed

Not in the  
Labour  
Force

= Working-age  
population

 *Age threshold*  
*(eg. 15+)*



# Economically active population

- **Economically active population (EAP)** : The economically active population comprises all persons of either sex who furnish the supply of labour for the production of economic goods and services as defined by the United Nations systems of national accounts and balances during a specified time-reference period.
- Two useful measures of the economically active population:
  - **currently active population** or **labour force**: measured in relation to a short reference period such as one week or one day
  - **usually active population**: measured in relation to a long reference period such as a year

(For more information, see the Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the Thirteenth International Conference of Labour Statisticians, 1982.)





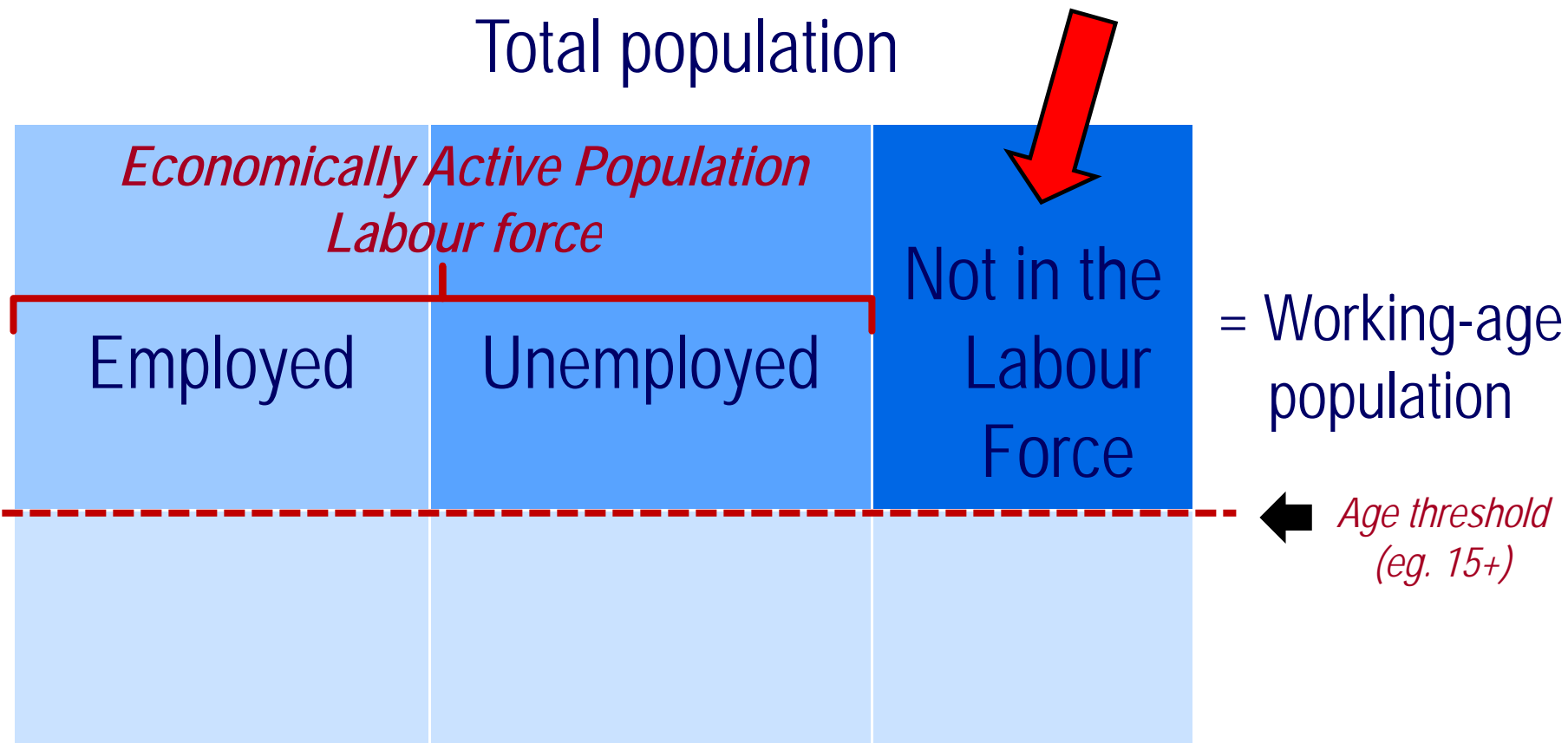
# Definitions: Labour force and Usually active population

- **Labour force definition (currently active population):**
  - all persons above a specified age who were employed or unemployed during a **short reference period** (e.g. one week, one day)
  - **Labour force** = employed persons + unemployed persons
- **Usually active population definition:**
  - comprises all persons above a specified age whose **main activity status**, as determined in terms of number of weeks or days during a **long** specified **reference period** (such as the preceding 12 months or the preceding calendar year), was employed or unemployed.
  - may be subdivided as employed and unemployed in accordance with the main activity



# Concept: Not in the labour force

Total population





# Population not economically active: Definition

- **Population not economically active**
  - comprises all persons, **irrespective of age**, including those below the age specified for measuring the economically active population who were **not economically active**
- **The Population not currently active**, or, equivalently, **Persons not in the labour force**:
  - Comprises all persons who were **not employed or unemployed** during the **brief reference period** and hence not currently active for diverse reasons (education, retirement, infirmity, etc) which may be specified.
- **The Population not usually active**:
  - Comprises all persons whose **main activity status** during a **longer specified period** was **neither employed nor unemployed**.
  - Comprises the following categories: students, homemakers, income recipients (pensioners, renters, etc.), and others



# Concept: Working age population

Total population





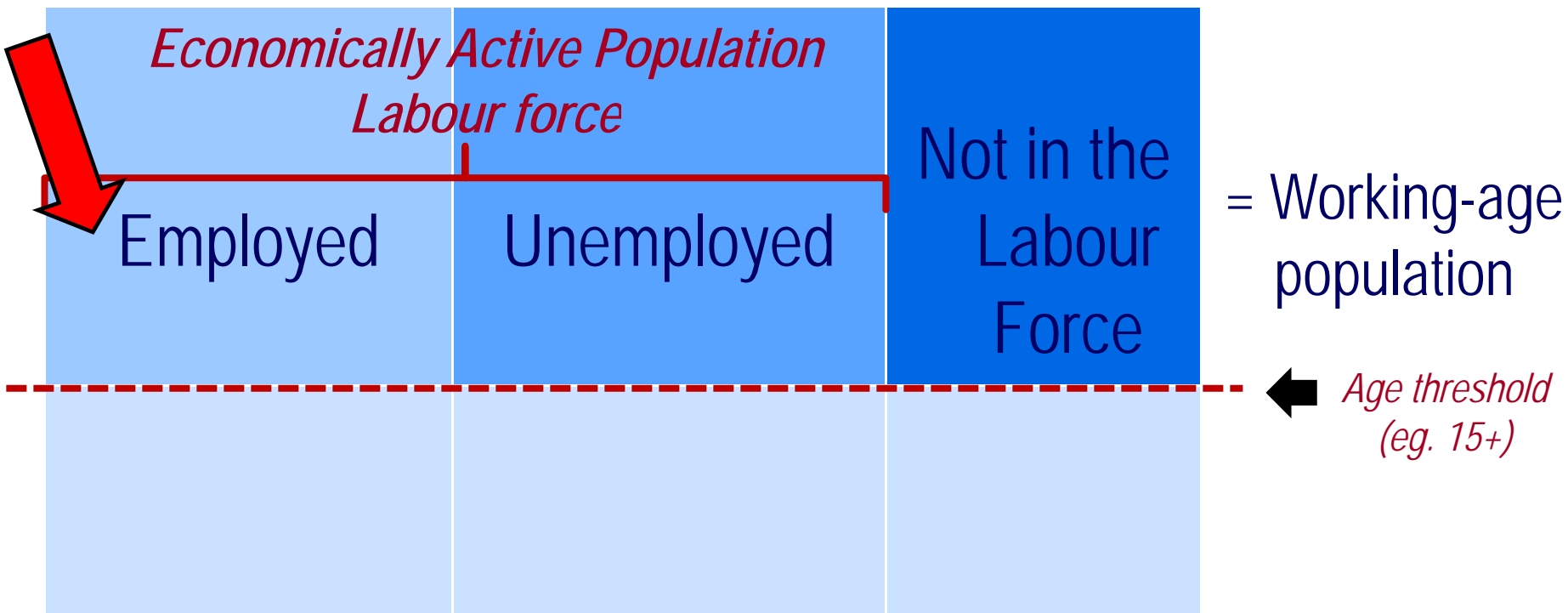
# Working age population

- Working-age population (WAP):
  - The WAP includes all persons in the population above a specified age threshold used for statistical purposes to define the economically active population.
    - Common threshold: 15 years and over
  - It is defined by a lower age threshold (and in some countries includes an upper age threshold)
  - The lower age threshold may not coincide with the minimum legal working age established in the country.



# Concept: Employment

Total population





# Employment Definition, 13<sup>th</sup> ICLS, 1982

## Employment

- All persons above a specified age who during a brief reference period, either one week or one day, were in the following categories:
  - Paid employment
    - At work
    - With a job but not at work
  - Self-employment
    - At work
    - With an enterprise but not at work
- For more information, see the *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment*, adopted by the Thirteenth International Conference of Labour Statisticians, 1982; Web link:
- [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms\\_087481.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087481.pdf)



# Employed persons at work

- **Paid employment:** Persons who during the reference period performed some work for wage or salary, in cash or in kind
- **Self-employment:** Persons who during the reference period performed some work for profit or family gain, in cash or in kind

*For operational purposes:  
“some work” to be interpreted as “work for at least one hour”*





# Employed persons with a job/an enterprise but temporarily not at work

- **Paid employment:** Persons who having already worked in their present job, were temporarily not at work during the reference period and had a formal job attachment to their job
- **Self-employment:** Persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason



# Temporary absence from work

## Key elements

- Persons must have already worked at their present job or activity
- Evidence of temporary absence
  - Paid employment: Test of job attachment
  - Self-employment: Test of existence of enterprise
- Total duration of absence must be short as per country circumstances



# Paid employment: Criteria to assess temporary absence from work

- **Paid employment**
  - Notion of Job attachment, as per national circumstances
  - One or more of the following criteria:
    - Continued receipt of wage or salary
    - Assurance of return to work following the end of the contingency or an agreement regarding the date of return
    - Total duration of absence from work: may be that for which workers can receive compensation benefits without obligations to accept other jobs.



# Borderline cases (Paid employment)





# Borderline cases (paid employment)

- **Persons temporarily laid off**
  - If with formal job attachment: Classified as employed absent from work
  - If no formal job attachment: Classified depending on job search activity & current availability for work as unemployed or not in the labour force
- **Non-regular employees (casual workers, daily workers)**
  - If no formal job attachment: Not classified as employed
- **Other non-regular employees (seasonal workers)**
  - If with formal job attachment: Classified as employed absent from work
  - If no formal job attachment: Not classified as employed



# Self-employment: Criteria to assess temporary absence from work

- **Self-employment**
  - Notion of job attachment, as per national circumstances:
    - May be based on continued existence of enterprise

AND

- Total duration of absence from work: relatively short as per national circumstances





# Special cases among persons in self-employment





## Special cases among persons in self-employment (temporary absence)

- **Casual own-account workers**
  - Not to be considered as “with an enterprise but not at work”
- **Contributing family workers**
  - Not considered to have an enterprise of their own. Thus, cannot be considered as “with an enterprise but not at work”
- **Workers engaged in seasonal activities**
  - Busy season: Can be considered as in temporary absence from work
  - Off-season: Treatment depends on characteristics of enterprise:
    - Operated only during the high season: Not in temporary absence
    - Operated year-round: Can be considered as in temporary absence





# Treatment in employment of particular groups of workers (1)

- **Contributing family workers at work:** included in employment regardless of number of hours worked in the reference period
- **Persons engaged in production of goods for own household consumption**
  - Refers to production of goods that fall within SNA production boundary
  - To be considered as employed if such production comprises an important contribution to the total consumption of the household
- **Members of armed forces:** All should be included in employment



# Treatment in employment of particular groups of workers (2)

- **Apprentices & Trainees:**
  - Paid in cash or in kind: employed
  - Unpaid and contributing family workers (CFW): employed if at work
  - Unpaid and not CFW: employed if contributing to production of goods/services of the enterprise
- **Working students:** Apply priority rules of labour force framework (employed)
- **Working homemakers:** Apply priority rules of labour force framework (employed)



# Time-related underemployment (1)

- **Time-related underemployment:** indicates a partial lack of work for employed persons. Comprises all persons in employment who satisfy the following three criteria during the reference period:
  - (1) **"willing to work additional hours"**, that is, wanted another job (or jobs) in addition to their current job (or jobs) to increase their total hours of work; to replace any of their current jobs with another job (or jobs) with increased hours of work; to increase the hours of work in any of their current jobs; or a combination of the above.
  - (2) **"available to work additional hours"**, that is, are ready, within a specified subsequent period, to work additional hours, given opportunities for additional work.
  - (3) **"worked less than a threshold relating to working time"**, that is, persons whose **"hours actually worked"** in all jobs during the reference period, as defined in current international guidelines regarding working time statistics, were below a threshold, to be chosen according to national circumstances.
- For more information, see the *Resolution concerning the measurement of underemployment and inadequate employment situations*, adopted by the Sixteenth International Conference of Labour Statisticians, 1998. Web link:
- [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms\\_087487.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087487.pdf)



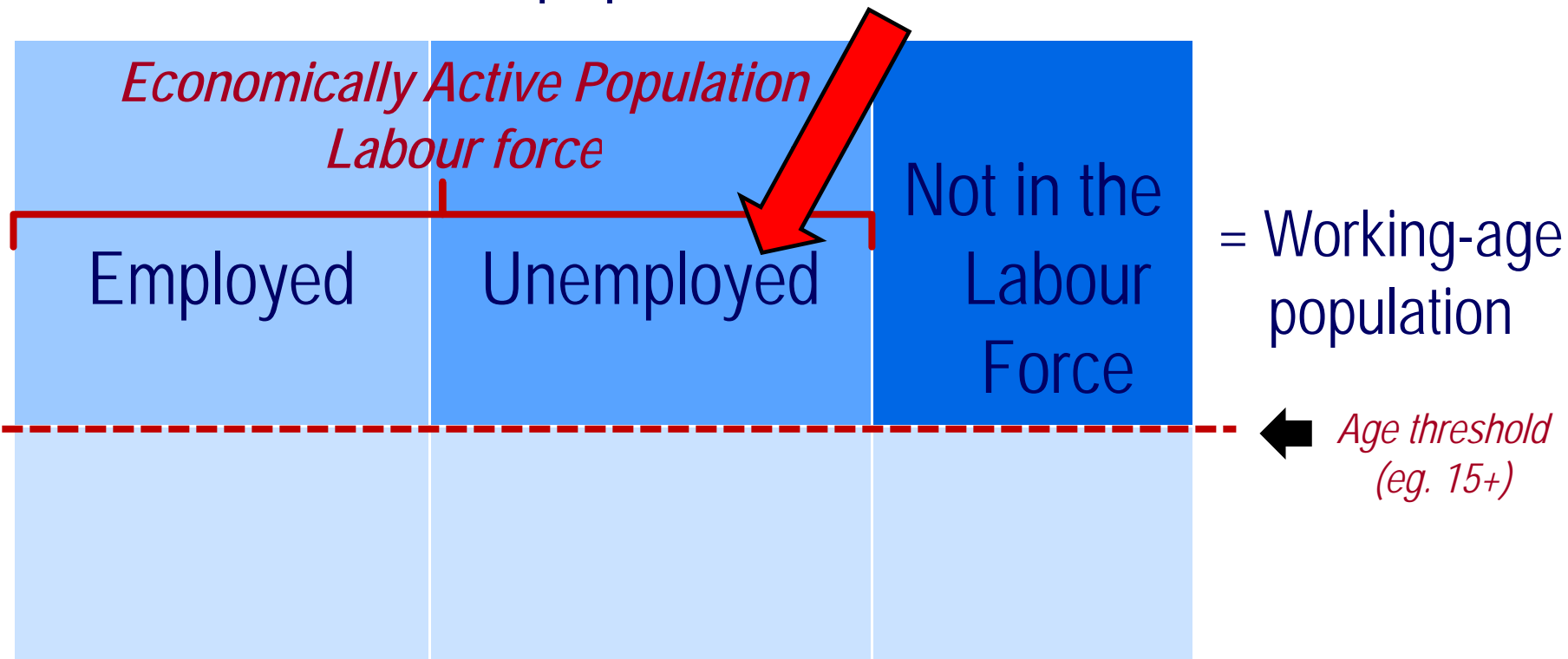
# Time-related underemployment (2)

- **Willingness to work more hours:**
  - those who have actively sought to work additional hours should be distinguished from those who have not
- **Availability:**
  - The “subsequent period” should be chosen in light of national circumstances and be the period generally required for workers to leave one job in order to start another
- **How to define the threshold:**
  - May be determined by the boundary between full-time and part-time employment, median values, averages, or norms for hours of work as specified in relevant legislation, collective agreements, agreements on working time arrangements or labour practices in countries
- **Two measures of time-related underemployment:**
  - Persons in time-related underemployment: head count of persons in TRU
  - Volume of time-related underemployment: volume measure (aggregates the time available for additional employment)



# Concept: Unemployment

Total population





# Unemployment: Criteria of standard definition

- **Unemployed persons:** The unemployed comprise all persons above a specified age who during the reference period were:
  - (1) Without work
  - (2) Currently available for work
    - Available for paid employment or self-employment during the reference period, and
  - (3) Seeking work
    - Specific steps taken in a specified recent period to seek paid employment or self-employment during the reference period.
- For more information, see the *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment*, adopted by the Thirteenth International Conference of Labour Statisticians, 1982; Web link:
- [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms\\_087481.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087481.pdf)



# Unemployment: Reference periods

- Without work:
  - Present: Survey reference period (e.g. last week)
- Seeking work:
  - Past: Job search period including survey reference period (e.g. last four weeks)
- Availability for work:
  - Current/(future): Survey reference period (future availability period, e.g. next two weeks)



# Active steps to seek work

- Registration at a public or private employment exchange (for purposes of obtaining a job offer)
  - Application to employers
  - Checking at worksites, farms, factory gates, market or other assembly places
  - Placing or answering newspaper advertisements
  - Seeking assistance of friends or relatives
  - Looking for land, building, machinery or equipment to establish own enterprise
  - Arranging for financial resources
  - Applying for permits, licenses, etc.
- 
- **Note:** Seeking work includes formal and informal methods, and search for paid employment and for self-employment.





# Search for self-employment (SE) (1)

- Problem to distinguish between activities of seeking SE and SE activities themselves
  - examples: looking for clients or orders, advertising goods or services produced
- Particular situation: establishment of new enterprises
  - examples: buying initial stock or necessary equipment to open a business



## Search for self-employment (SE) (2)

- 14<sup>th</sup> ICLS: Distinction should be based on point when enterprise starts to exist formally (e.g. registration)
  - activities before registration of the enterprise = seeking SE
  - activities after registration of the enterprise = SE itself



# Non-application of the seeking work criterion to « future starters »

- Persons **without work**, who have already made arrangements to take up paid employment or undertake self-employment activity at a date subsequent to the reference period, if **currently available** for work, are to be considered as unemployed, whether or not they continue to seek work.
- Note: It is desirable to specify a time limit for « future starters ».



# Unemployment: Standard definition

- Included: Students, housewives/men, pensioners, etc., who are actively seeking work and currently available for work
- Excluded: Employed persons looking for another or additional job
- Excluded: Persons without work, who are not actively seeking work and/or not currently available for work (e.g. discouraged workers)



# Unemployment: Relaxed definition

- Conditions for relaxing the seeking work criterion:
  - conventional means of seeking work are of limited relevance;
  - labour market is largely unorganised or of limited scope;
  - labour absorption is at the time inadequate;
  - labour force is largely self-employed
- Complete relaxation vs. partial relaxation
- Partial relaxation: inclusion in LFS of question on reason for not seeking work



# Current availability for work

- **Standard definition of unemployment:** availability for the type of work the person has been looking for.
- When the **seeking work criterion is relaxed**, tests of availability should be made using questions on:
  - willingness to take up work for wage or salary on locally prevailing terms:
    - remuneration, working time, location, occupation, etc.
  - readiness to undertake self-employment activity if given the necessary resources and facilities
  - readiness to take up work in a place other than the current place of residence



# Overview of classifications used to disaggregate labour statistics

## Main Classifications:

- International Standard Classification of Education (ISCED)  
[http://www.unesco.org/education/information/nfsunesco/doc/isced\\_1997.htm](http://www.unesco.org/education/information/nfsunesco/doc/isced_1997.htm)
- International Classification of Status in Employment (ICSE)  
<http://www.ilo.org/public/english/bureau/stat/class/icse.htm>
- International Standard Industrial Classification of All Economic Activities (ISIC Revision 4)  
<http://unstats.un.org/unsd/cr/registry/isic-4.asp>
- International Standard Classification of Occupations (ISCO-08)  
<http://www.ilo.org/public/english/bureau/stat/isco/isco08/index.htm>



# International Standard Classification of Education (ISCED)

- **Classification unit:** The basic unit of classification in ISCED is the educational programme defined on the basis of their educational content as an array or sequence of educational activities which are organized to accomplish a pre-determined objective or a specified set of educational tasks.
- ISCED 97 contains 7 levels:
  - Level 0 – Pre-primary education
  - Level 1 – Primary education or first stage of basic education
  - Level 2 – Lower secondary or second stage of basic education
  - Level 3 – (Upper) secondary education
  - Level 4 – Post-secondary non-tertiary education
  - Level 5 – First stage of tertiary education
  - Level 6 – Second stage of tertiary education





# International Classification of Status in Employment (ICSE) (1)

- **ICSE**: an important tool for comparing statistical data on status in employment at the international level.
- **ICSE-93 groups**: defined with reference to the distinction between "paid employment" jobs and "self-employment" jobs.
- **Classification principle**: Groups defined with reference to one or more aspects of the economic risk and/or the type of authority which the explicit or implicit employment contract gives the incumbents or to which it subjects them
- **The ICSE-93 consists of the following groups**:
  1. employees; among whom countries may need and be able to distinguish "employees with stable contracts" (including "regular employees");
  2. employers;
  3. own-account workers;
  4. members of producers' cooperatives;
  5. contributing family workers;
  6. workers not classifiable by status.



# International Classification of Status in Employment (ICSE) (2)

- **Paid employment jobs:**
  - jobs where the incumbents hold explicit (written or oral) or implicit employment contracts which give them a basic remuneration which is not directly dependent upon the revenue of the unit where they work
  - unit can be a corporation, a non-profit institution, a government unit or a household
  - typically remunerated by wages and salaries
  - may be paid by commission from sales, by piece-rates, bonuses or in-kind payments such as food, housing or training
- **Self-employment jobs:**
  - jobs where the remuneration is directly dependent upon the profits (or the potential for profits) derived from the goods and services produced (where own consumption is considered to be part of profits)
  - incumbents make the operational decisions affecting the enterprise, or delegate such decisions while keeping responsibility for the welfare of the enterprise



# International Classification of Status in Employment (ICSE): Concept definitions (1)

## (1) Employees:

- Definition: all those workers who hold the type of job defined as "paid employment jobs"
- Employees with stable contracts: "employees" who have had, and continue to have, an explicit (written or oral) or implicit contract of employment, or a succession of such contracts, with the same employer on a continuous basis
- Regular employees are those "employees with stable contracts" for whom the employing organization is responsible for payment of relevant taxes and social security contributions and/or where the contractual relationship is subject to national labour legislation.

## (2) Employers:

- Definition: those workers who, working on their own account or with one or a few partners, hold a "self-employment job" and, in this capacity, on a continuous basis (including the reference period) have engaged one or more "employees" to work for them in their business.



# International Classification of Status in Employment (ICSE): Concept definitions (2)

- (3) **Own-account workers:** those workers who, working on their own account or with one or more partners, hold a "self-employment job", and have not engaged on a continuous basis any "employees" to work for them during the reference period.
- (4) **Members of producers' cooperatives:** workers who hold a "self-employment" job in a cooperative producing goods and services, in which each member takes part on an equal footing with other members in determining the organization of production, sales and/or other work of the establishment, the investments and the distribution of the proceeds of the establishment amongst their members.
- (5) **Contributing family workers:** workers who hold a "self-employment" job in a market-oriented establishment operated by a related person living in the same household, who can't be regarded as a partner, because their degree of commitment to the operation of the establishment is not at a level comparable to that of the head of the establishment
- (6) **Workers not classifiable by status:** include those for whom insufficient relevant information is available, and/or who cannot be included in any of the preceding categories



# International Standard Industrial Classification of All Economic Activities (ISIC) (1)

- The International Standard Industrial Classification of All Economic Activities (ISIC):
  - is the international reference classification of productive activities.
  - an important tool for comparing statistical data on economic activities at the international level.
- **Main purpose:** to provide a set of economic activity categories that can be used for the collection and reporting of statistics according to such activities.
- **Classification principle:** ISIC is built on a production-oriented or supply-based conceptual framework that groups producing units into detailed industries based on similarities in the economic activity, taking into account the inputs, the process and technology of production, the characteristics of the outputs and the use to which outputs are applied.



# International Standard Industrial Classification of All Economic Activities (ISIC) (2)

- **ISIC Revision 4** is divided into 21 Sections (titles and codes shown below):

**A - Agriculture, forestry and fishing**

**B - Mining and quarrying**

**C - Manufacturing**

**D - Electricity, gas, steam and air conditioning supply**

**E - Water supply; sewerage, waste management and remediation activities**

**F - Construction**

**G - Wholesale and retail trade; repair of motor vehicles and motorcycles**

**H - Transportation and storage**

**I - Accommodation and food service activities**

**J - Information and communication**

**K - Financial and insurance activities**

**L - Real estate activities**

**M - Professional, scientific and technical activities**

**N - Administrative and support service activities**

**O - Public administration and defence; compulsory social security**

**P - Education**

**Q - Human health and social work activities**

**R - Arts, entertainment and recreation**

**S - Other service activities**

**T - Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use**

**U - Activities of extraterritorial organizations and bodies**



# International Standard Classification of Occupations (ISCO) – (1)

- ISCO-08:

- is the current international reference classification of occupation groups
- an important tool for comparing statistical data on occupation groups at the international level
- a tool for organising all jobs in an establishment, an industry or a country into a clearly defined set of groups according to the tasks and duties undertaken in the job. It consists of two components:
  - a classification structure
  - a descriptive component (group definitions)
- A "job" is defined *for the purposes of ISCO-08* as a set of tasks and duties performed, or meant to be performed, by one person, including an employer or other self-employed.
- An "occupation" is defined as a set of jobs whose main tasks and duties are characterised by a high degree of similarity.
- **Classification principle:** ISCO-08 groups jobs together in occupations and more aggregate groups mainly on the basis of the similarity of skills required to fulfil the tasks and duties of the jobs.



# International Standard Classification of Occupations (ISCO) – (2)

**ISCO-08 has 10 Major Groups (titles and codes shown below):**

- 1 Managers
- 2 Professionals
- 3 Technicians and associate professionals
- 4 Clerical support workers
- 5 Service and sales workers
- 6 Skilled agricultural, forestry and fishery workers
- 7 Craft and related trades workers
- 8 Plant and machine operators, and assemblers
- 9 Elementary occupations
- 0 Armed forces occupations





# Conclusions

- Labour force statistics are used for macroeconomic monitoring, policymaking and monitoring progress towards development goals
- Application of international standards in labour statistics promotes international comparability of data, coherence in concepts/methods across sources and domains
- The labour force framework, based on a short reference period, has exhaustive and mutually exclusive categories, classifies key concepts through priority rules (and 1-hour criterion) and uses the activity principle
- LF framework priority rules establish the following order of classification of key concepts: 1. Employment, 2. Unemployment, 3. Not in labour force
- Statistics on key labour force variables should be disaggregated by sex, age group and other classification variables as defined by national needs and circumstances to allow more detailed analysis for policy & other purposes
- Key classifications include ISCED, ICSE, ISIC and ISCO.



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# Questions

- What are the key uses of labour force statistics in Trinidad and Tobago?
- Who are the data users?
- Do the current statistics produced meet the needs of data users?
- What are the key measurement challenges as regards:
  - Employment
  - Unemployment
  - Not in labour force
- What disaggregations are currently produced for labour force statistics?
- Do these meet data user needs?