ILO Proposal on the Decent Work Measurement Framework: Statistical Indicators and the new Decent Work Indicator Manual

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Meeting on Measuring and Monitoring Decent Work:
Lessons learnt from the MAP project

Geneva, 27-29 June 2012

Decent work as a global goal

- **Endorsed by** ECOSOC, Presidential Summits and Head of State Summits in all regions, UN system, European Union, among others.

- **ILO Declaration on Social Justice for a Fair Globalization (2008)** endorses Decent Work Agenda:

  (i) International labour standards and fundamental principles and rights at work

  (ii) Employment creation

  (iii) Social Protection

  (iv) Social Dialogue and tripartism

- The **Declaration recommends** that ILO Members may consider:
  - "the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate the progress made"
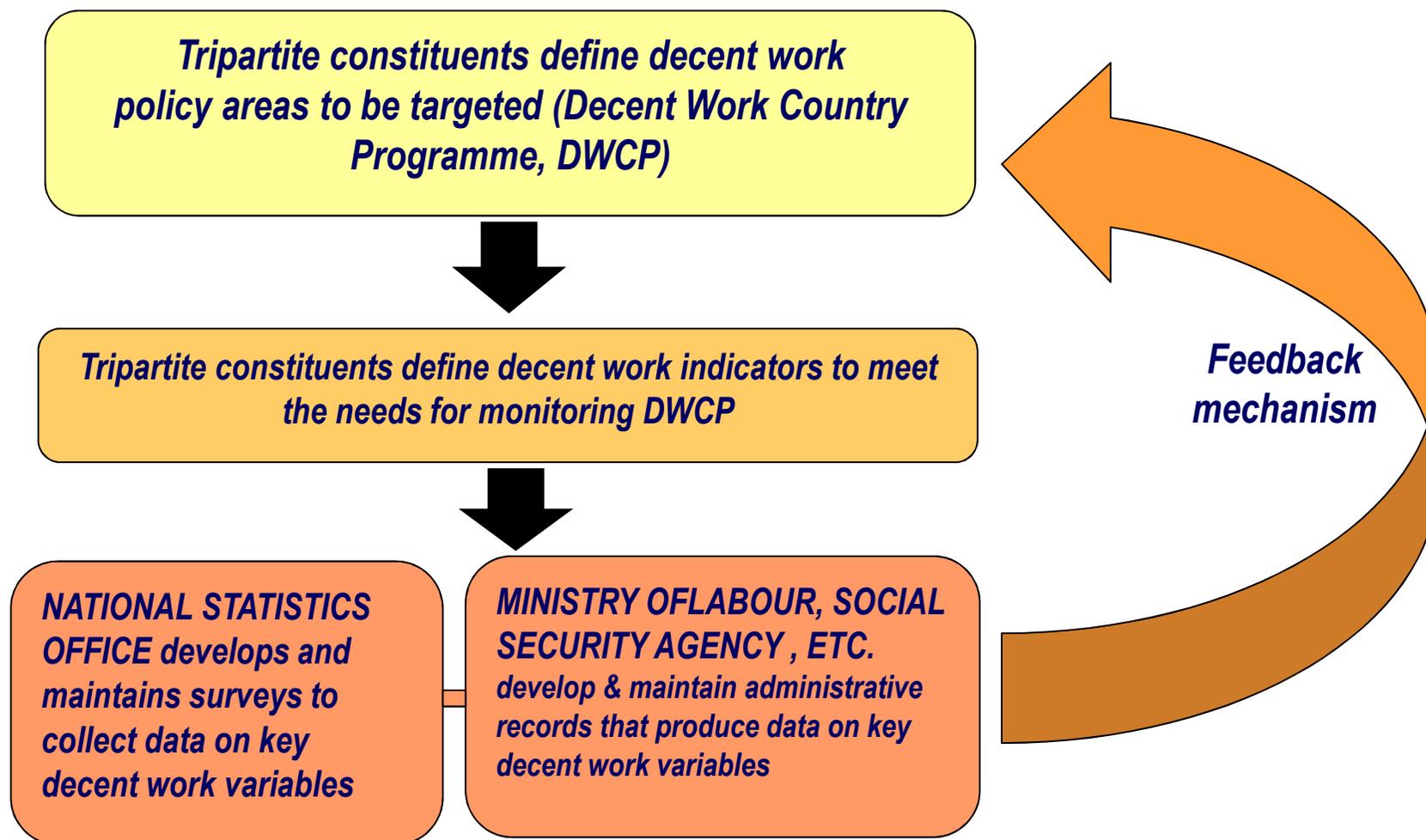
Why are Decent Work indicators and statistics important?

- Take on a particularly **critical role** during this moment of **global crisis**

- Decent work indicators can be **adapted to national circumstances and used to monitor:**
  - Decent Work Country Programme (DWCP)
  - Poverty Reduction Strategy (PRS)
  - National Development Frameworks

- Recognition of the role of decent work in **reducing poverty** and towards **economic development**

- Important for **data collection instrument development and analysis**

Decent work indicator and data collection instrument development at the national level through coordinated decision making

Tripartite constituents define decent work policy areas to be targeted (Decent Work Country Programme, DWCP)

Tripartite constituents define decent work indicators to meet the needs for monitoring DWCP

NATIONAL STATISTICS OFFICE develops and maintains surveys to collect data on key decent work variables

MINISTRY OFLABOUR, SOCIAL SECURITY AGENCY , ETC. *develop & maintain administrative records that produce data on key decent work variables*

Feedback mechanism

Principles and framework for measuring decent work

- **Purpose:** (i) to assist constituents to assess progress towards decent work and (ii) to offer comparable information for analysis and policy development.

- **NO ranking of countries & NO composite index**

- **Covers all four dimensions of Decent Work**

- **Information is derived from various sources:** household and establishment surveys, administrative records, qualitative information, among others.

- **New framework proposal presented to the ILO Governing Body and to the 18th International Conference of Labour Statisticians (ICLS) in 2008:**
  - Model of international relevance that permits the adaptation to national circumstances
  - Has the potential to evolve dynamically over the years.

Structure of Decent Work Measurement Framework

Grouping of indicators under **10 substantive elements** of the Decent Work Agenda:

1. Employment opportunities (1 + 2)

2. Adequate earnings and productive work (1 + 3)

3. Decent working time (1 + 3)

4. Combining work, family and personal life (1 + 3)

5. Work that should be abolished (1 + 3)

6. Stability and security of work (1, 2 + 3)

7. Equal opportunity and treatment in employment (1, 2 + 3)

8. Safe work environment (1 + 3)

9. Social security (1 + 3)

10. Social dialogue, workers' and employers' representation (1 + 4)

Plus one area on economic and social context

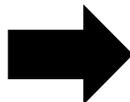*11. Economic and social context for decent work*

Note: (1) Rights at work (2) Employment opportunities (3) Social Protection (4) Social Dialogue
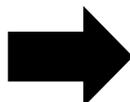
Different types of statistical indicators

A layered approach to indicators:

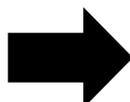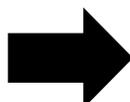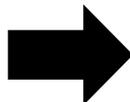|		
Main indicators (M)	➡	*Parsimonious core set of indicators to monitor progress towards decent work.*
Additional indicators (A)	➡	*To be used where appropriate, and where data are available*
Context indicators (C)	➡	*Provide information on the economic and social context for decent work*
Future indicators (F)	➡	*Currently not feasible, but to be included as data become more widely available*
Legal framework indicators (L)	➡	*Qualitative information included under the legal framework*

Gender disaggregations: (S) indicates that the indicator should be presented separately by sex in addition to the total value.

Countries are encouraged to select from the total list of indicators and add additional indicators to reflect national circumstances.

18 Main Decent Work Indicators

1.
1 – Employment-to-population ratio (S)
2 – Unemployment rate (S)
3 – Youth not in education and not in employment (S)
4 – Informal employment rate (S)

2.
5 – Working poverty rate (S)
6 – Low pay rate (share of employees whose earnings are below 2/3 of median hourly earnings) (S)

3.
7 – Employment in excessive working time (more than 48 hours per week) (S)

4.
Currently no main indicators under the substantive element "Combining work, family and personal life"

5.
8 – Child labour rate(S)

6.
9 – Precarious employment rate (S)

7.
10 – Occupational segregation by sex
11 – Female share of employment in senior and middle management

8.
12 – Occupational injury frequency rate, fatal

9.
13 – Share of population above the statutory retirement age (or aged 65 or above) benefiting from an old-age pension (S)
14 – Public social security expenditure (percentage of GDP)

10.
15 – Trade union density rate (S)
16 – Enterprises belonging to employers' organization [rate]
17 – Collective bargaining coverage rate (S)
18 – Indicator for Fundamental principles and rights at work (Freedom of association and collective bargaining) to be developed by the Office

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Manual on Decent Work Indicators

- **Purpose:** Intended as a pragmatic tool to provide a basic understanding of how to define and interpret statistical and legal framework decent work indicators

- **Intended users:** Both users and producers of statistical and legal framework decent work indicators

- **Manual is divided into two key parts**:
  - Introductory sections
  - Eleven chapters, each devoted to a substantive element in the Decent Work Indicator Measurement Framework

- **Financial support from the EU MAP Project**

- **Contributing ILO units:** STATISTICS, INTEGRATION, IPEC/SIMPOC, TRAVAIL, EMP/TRENDS, SEC/SOC, DIALOGUE
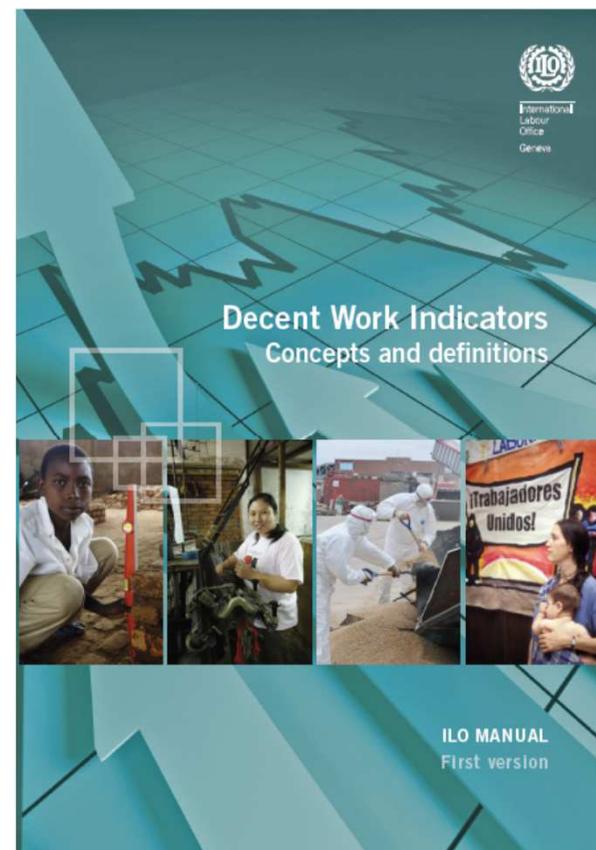
Structure of Manual's Key Chapters

The **chapters** on DW indicators by substantive element are **divided into five sections:**

(1) Measurement objective and rationale

(2) Method of computation
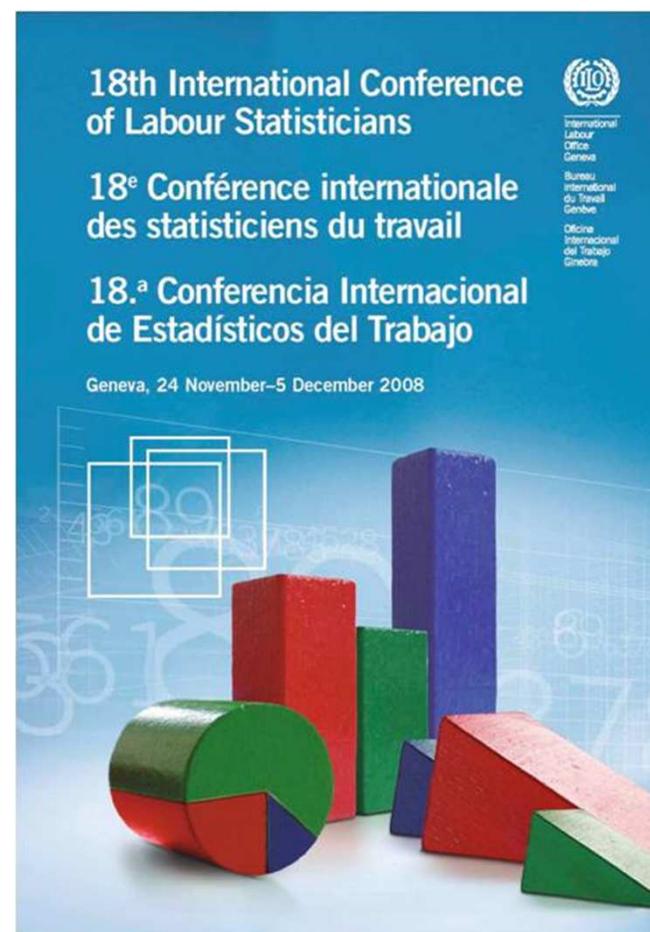
(3) Concepts and definitions

(4) Recommended data sources, metadata and disaggregations

(5) Interpretation guidelines

DW Indicator Manual: Encourages the application of international statistical standards

- **The Manual seeks to:**
  - Provide guidance to countries on DWIs
  - Promote international comparability of DWIs
  - Promote coherence in concepts & methods

- **Sources of Manual recommendations:**
  - ILO Proposal on the Decent Work measurement framework and indicators
  - International recommendations on labour statistics (primarily International Conference of Labour Statisticians (ICLS) Resolutions and Guidelines)
  - Best practices at the national level

18th International Conference of Labour Statisticians

18e Conférence internationale des statisticiens du travail

18.ª Conferencia Internacional de Estadísticos del Trabajo

Geneva, 24 November–5 December 2008

Example of a Statistical DW Indicator Sheet: Youth unemployment rate

Indicator title and type of indicator

Section 1: Measurement objective and rationale

Section 2: Method of computation

Section 3: Concepts and definitions

EMPL-6. Youth unemployment rate (YUR) – (A)

Measurement objective and rationale

This indicator reflects the extent to which youth are available to work and are seeking employment in a given economy. As youth often have little or no work experience, they usually suffer higher unemployment rates and have fewer employment opportunities (often in jobs with low pay and poor social protection) as compared with adults.

Method of computation

The youth unemployment rate (YUR) is defined as the proportion of the youth labour force that is unemployed. The indicator is calculated as:

$$\text{YUR (\%)} = \frac{\text{Number of unemployed youths}}{\text{Total number of persons in the youth labour force}} \times 100$$

For a given group of unemployed youth, the YUR is the percentage of this group that is unemployed. For example, the YUR for females would be calculated as:

$$\text{YURf (\%)} = \frac{\text{Number of unemployed female youths}}{\text{Total number of females in the youth labour force}} \times 100$$

Concepts and definitions

For the definitions related to *unemployment* and *labour force*, see the introduction to this chapter.

For statistical purposes, the United Nations defines *youth* as those persons between the ages of 15 and 24 years, and as the age group recommended to define unemployed youth. It is thus recommended that the youth labour force refer to all persons aged 15–24 who are either employed or unemployed. In practice, many national statistics offices apply definitions of youth which differ from the international standard.

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Example of a Statistical DW Indicator Sheet: Youth unemployment rate (Cont'd)

Section 5:

Interpretation guidelines

Section 4:
Recommended data sources, metadata and disaggregation

Recommended data sources, metadata and disaggregation

The preferred official national data source for this indicator is a household-based labour force survey. A population census and/or other household surveys with an employment module can be used to obtain the required data.

When the YUR is published, appropriate metadata (or statistical documentation information) regarding the data should be provided to users. For the YUR, it is recommended that information on the definition of youth, data source, data reference period, population coverage and geographic coverage be made available to data users. Moreover, it is essential that data users be informed whether the standard unemployment definition (which applies to all three criteria)[12] or the relaxed or partially relaxed definition of unemployment (where the job search criterion is not applied in all cases) is used.

The breakdown of the YUR by sex provides useful information on the different access to employment as experienced by female and male youths. The YUR may also be calculated for urban and rural areas, as well as for educational attainment groups, race or ethnicity and for other demographic groups that may demonstrate a differentiated access to employment or suffer from discrimination in the labour market. The YUR may also be disaggregated by age to enable the analysis of unemployment differences between component youth groups, for example, between those aged 15–17 (children) and 18–24 (young adults).

Interpretation guidelines

As in the case of the unemployment rate, progress in the YUR is measured by achieving acceptably low levels. Given that frictional unemployment is always present as new entrants and re-entrants begin their job search and that structural unemployment is also commonly present as economic activity-occupation staffing patterns shift over time, the YUR can be expected to remain above zero. For additional interpretation guidelines regarding the unemployment rate which also generally apply to the YUR, please see the section on the unemployment rate (UR). The YUR is typically two to three times higher than the adult unemployment rates in economies throughout the world. One reason is that youth comprise the majority of first-time job seekers, who usually have difficulties finding employment due to lack of experience and inadequate access to job vacancy information. Another factor is that youth tend to have high job turnover rates and at each separation they risk a spell of unemployment.

There are gender differences in the unemployment experience of young persons. Female youth tend to have higher unemployment rates than their male counterparts, but this varies by country. Possible explanations are similar to those for the total female labour force described previously under EMPL-2. Like the UR, the YUR is relatively volatile. Monthly or quarterly changes in the YUR should be evaluated using seasonally-adjusted data.

As in the case of the UR, YUR trends should be analysed jointly with changes in measures of total youth labour supply, in particular the youth labour force participation rate, and youth labour demand, especially the youth employment-to-population ratio. Declining youth unemployment rates could in some cases signal not an increasing labour demand for young workers, but a falling labour supply among youth.

It may also be useful to examine the YUR in relation to the following supplementary indicators: (a) ratio of the youth unemployment rate to the adult unemployment rate, (b) youth unemployment as a proportion of the total unemployment, and (c) youth unemployment as a proportion of the youth population.

Information on the availability of existing job skills development training and/or apprenticeships and the number of youth benefitting from such programmes (including separately the number of unemployed youth who benefit) should be collected and analysed jointly with the YUR. It is useful to monitor job placement of youth who have completed these programmes in order to monitor their effectiveness.

12. The only exception might be for future starters; that is, persons who are not working, but available to work and expect to start a job within a limited time period.

Potential challenges and limitations

- There may be serious challenges to implementation if the indicators have not been **agreed upon in a tripartite manner** at the national level

- National circumstances may require **additional indicators** not included in the framework or Manual

- Best interpretation of the indicators requires **careful analysis of national circumstances** and **joint analysis of indicators**

- Some indicators are **still under development** by the Office

- Guidance to data producers on **effective communication of indicators and trends analysis** with **concrete examples using real data** to illustrate trend analysis is not included in the Manual, but will be provided in forthcoming **Guidelines on analyzing decent work indicators.**

THANK YOU

http://laborsta.ilo.org/