

ILO Webinar

Thinking the labour market for a job-rich economic recovery

Session 1: Labour market concepts and indicators

Philippe Egger, Per Ronnås

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Labour market analysis is central to economic and social policies and development

Three dimensions of employment

- Wage/business earnings: consumption, prices, inflation
- An output: contributes to GDP
- Social status and social integration: foundation of social and political stability

Labour market analysis toolbox

- Indicators, data collection, periodic reports (Statistical offices, ILO, UN, regional bodies)
- Analysis of recent data and trends (Research bodies, Universities, Central Banks, Ministry of Labour)
- Policy objectives and measures defined by committees, tripartite bodies, parliaments, government; policy reviews discussed to adjust measures

Common employment and labour market policy objectives

Employment policies

- Youth 15-19, 20-24 years
- Women, all ages
- Older workers (55+ years)
- Special regions facing specific challenges
- Low-skill workers
- Migrant workers
- Disabled persons
- Temporary employment schemes

Labour market policies

- Wages, including minimum wages
- Collective bargaining
- Working time
- Occupational safety and health
- Labour market regulations (hiring and firing) and employment security
- Unemployment subsidies
- Employment intermediation
- Fair recruitment and non discrimination

Content of the webinar series

1. Labour market analysis, concepts and definitions
2. Making full and productive use of human resources; unemployment and other forms of labour under-utilization
3. Youth employment and labour migration
4. Education and employment
5. Economic development and employment

Concepts, indicators and definitions

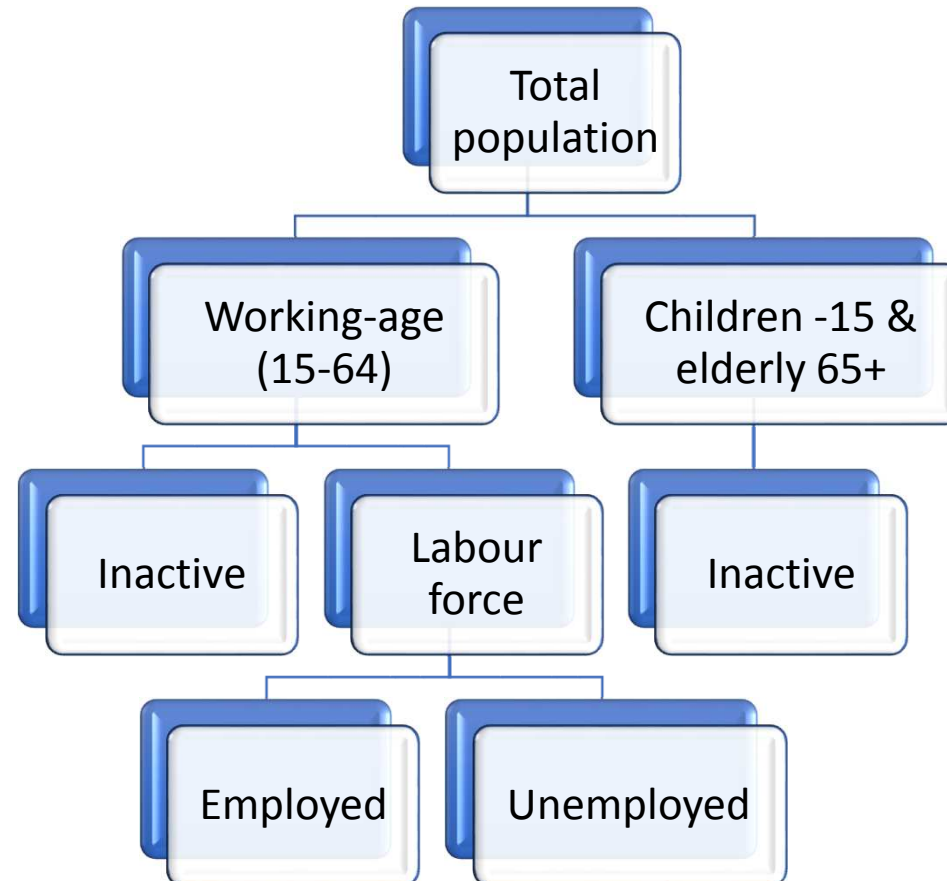
Session 1

Working-age population, labour force, labour resources: What is the difference?

- **Working-age population:** those aged 15-64 years or other nationally defined upper age (15+, 15-70,etc)
- **Labour force:** Employed (at least 1 hour in past week) + Unemployed (those actively looking for and available for employment)
- **Labour resources:** Able-bodied men and women of working age (15 – 54/59) + those above working age who are still in employment (concept used in former Soviet Union)
- **Employment:** wage employment or self-employment, full-time, part-time

Broad labour market classification of the population

(Basic framework of labour force surveys)

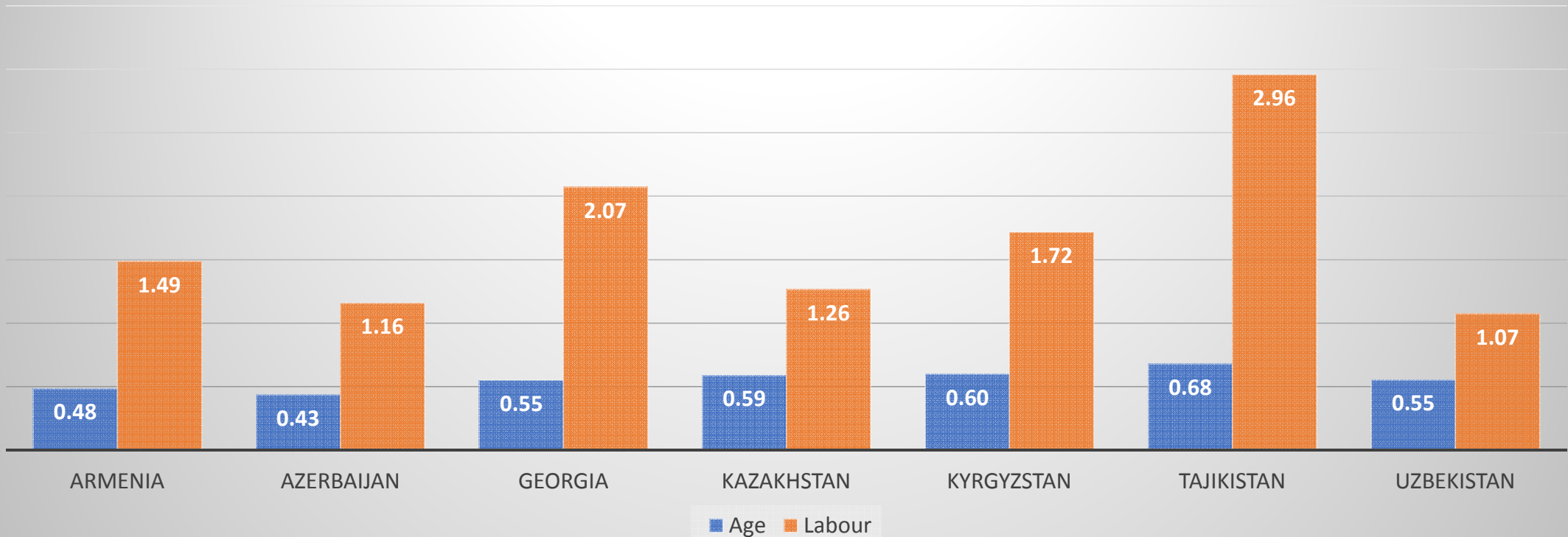


Some key indicators

- Labour force participation rate: The percentage of the working-age population who are in the labour force ($LF/WAP*100$)
- Employment rate: The percentage of the working-age population who are in employment ($employed/WAP*100$).
- Unemployment rate: The percentage of the labour force that are unemployed ($unemployed/LF*100$)
- Age dependency ratio: The number of children and elderly each person of working-age has to support (aged under 15 plus 65 and above) / 15-64).
- Labour dependency ratio: The number of inactive that each person in the labour force has to support ($inactive / LF$).

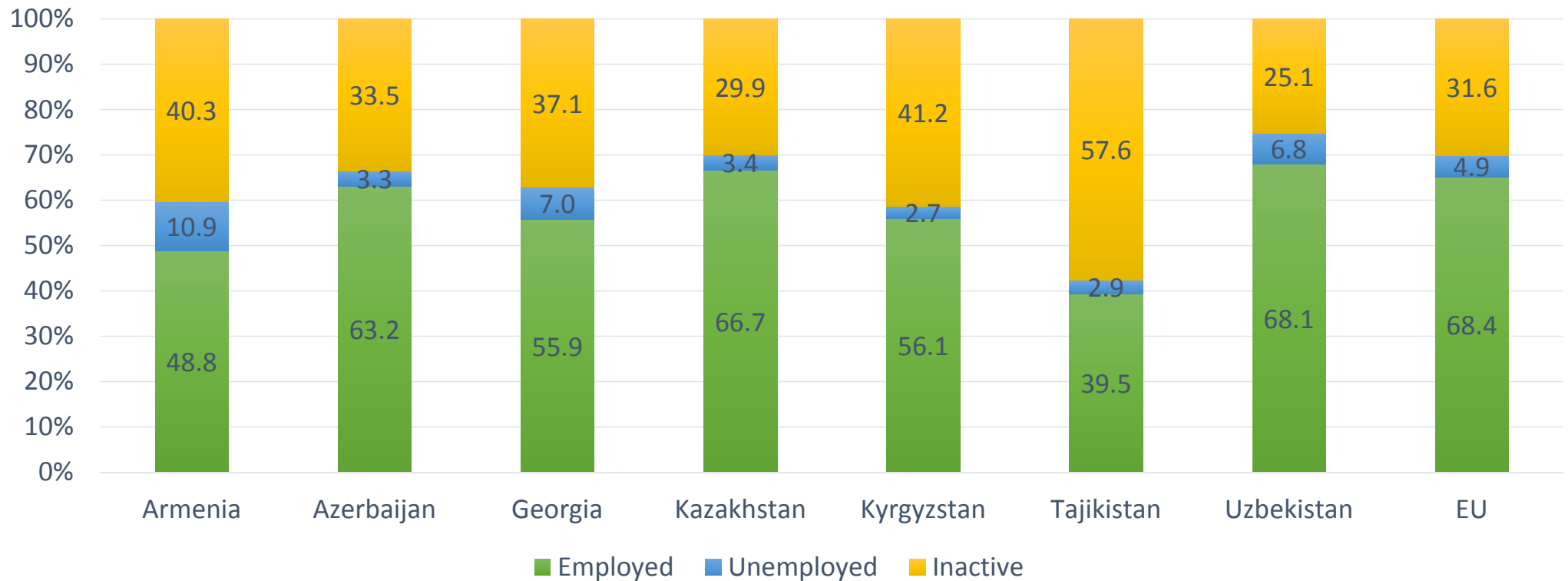
The pressure on each bread-winner to feed many mouths is due to low labour force participation rates and not primarily to demographic reasons

Age-, and labour dependency rates

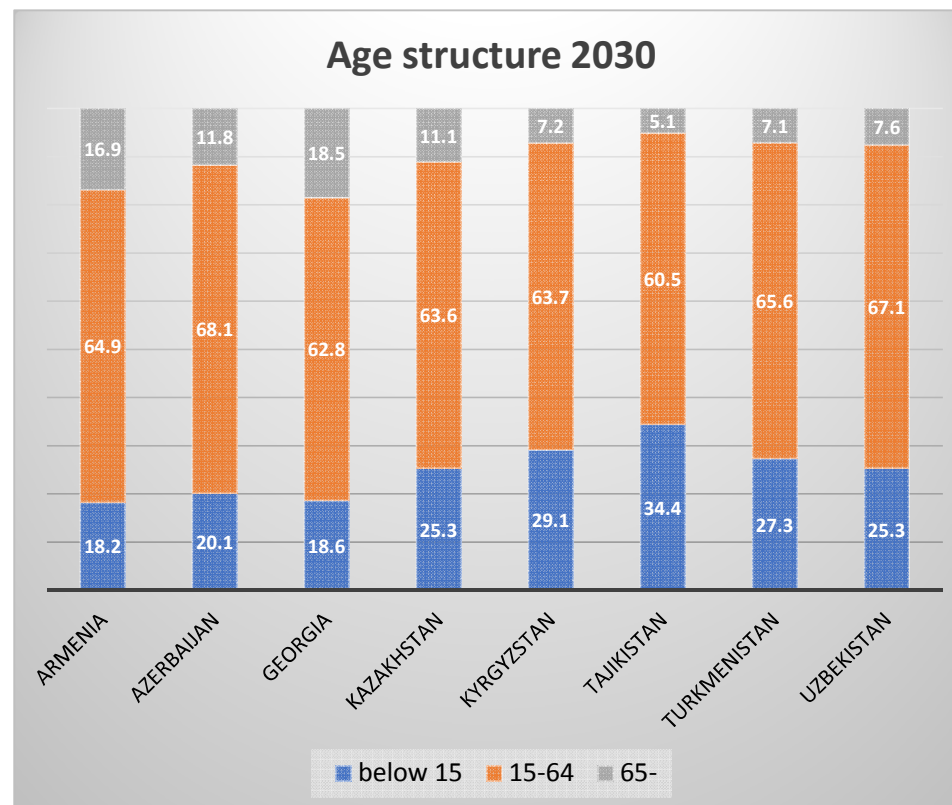
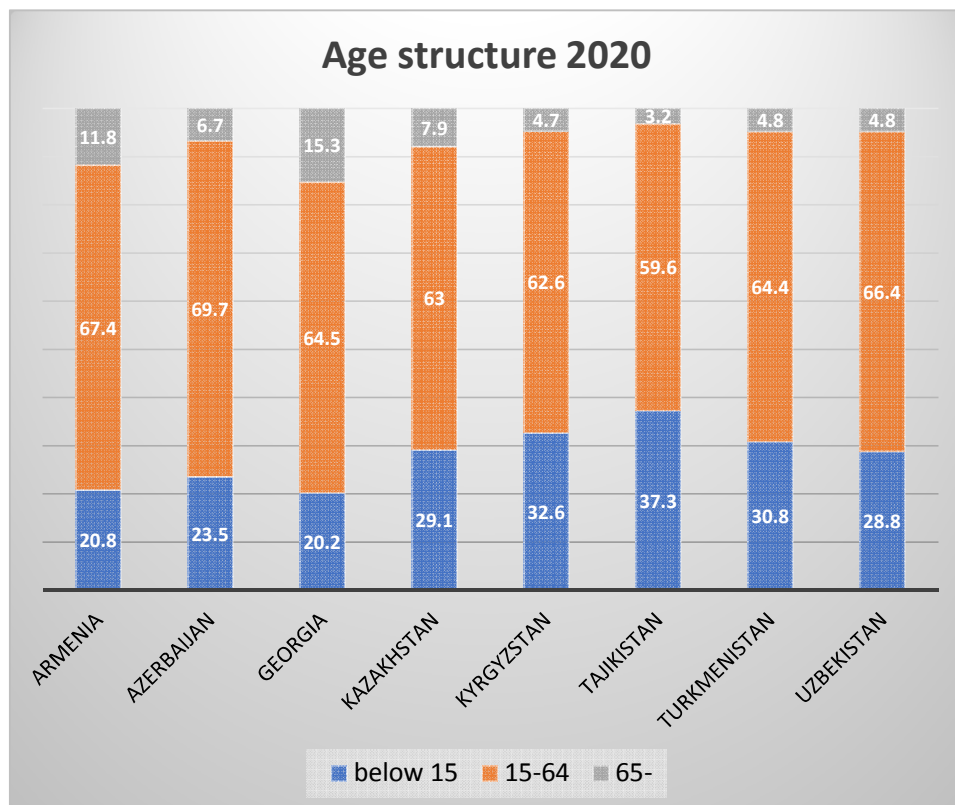


Participation in the labour force varies greatly across countries in the region

Participation in the labour force, per cent

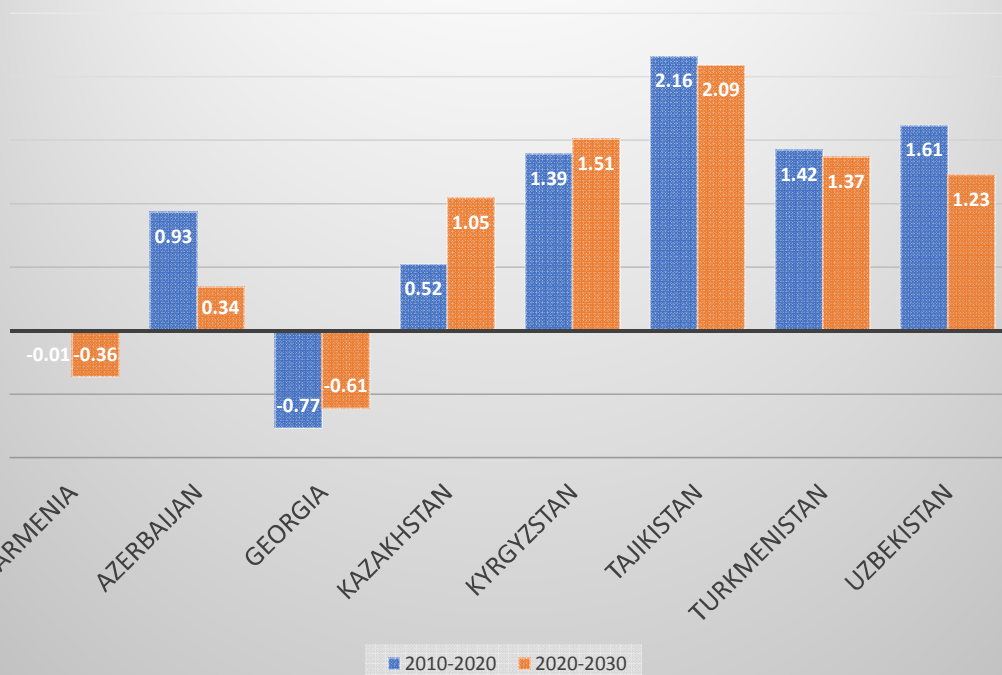


Age structure of the population, in per cent of total

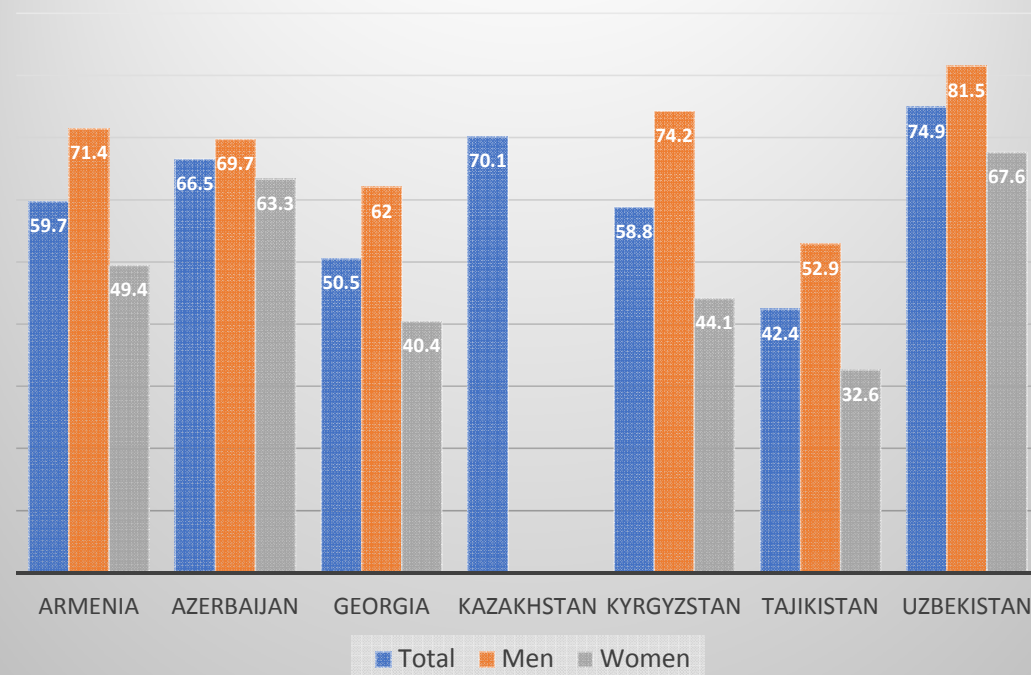


Change in labour supply determined by (i) change in working-age population and (ii) change in labour force participation rate

Yearly growth of working-age population (15-64) %

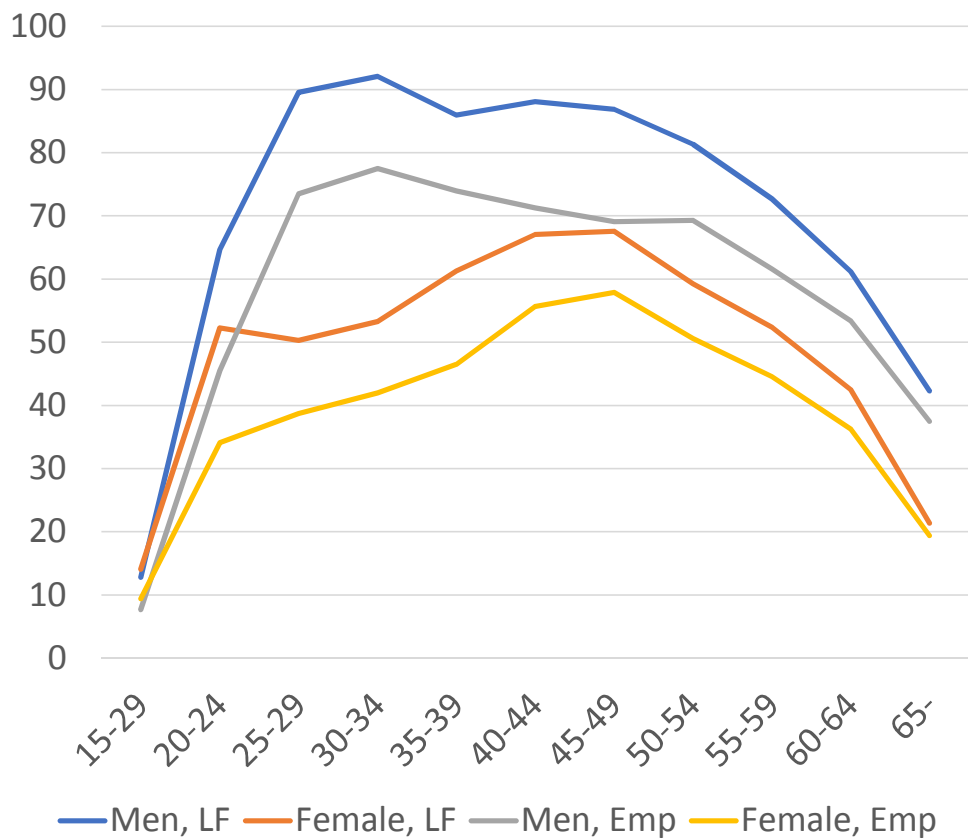


Labour force participation rates, 2019 or most recent, %

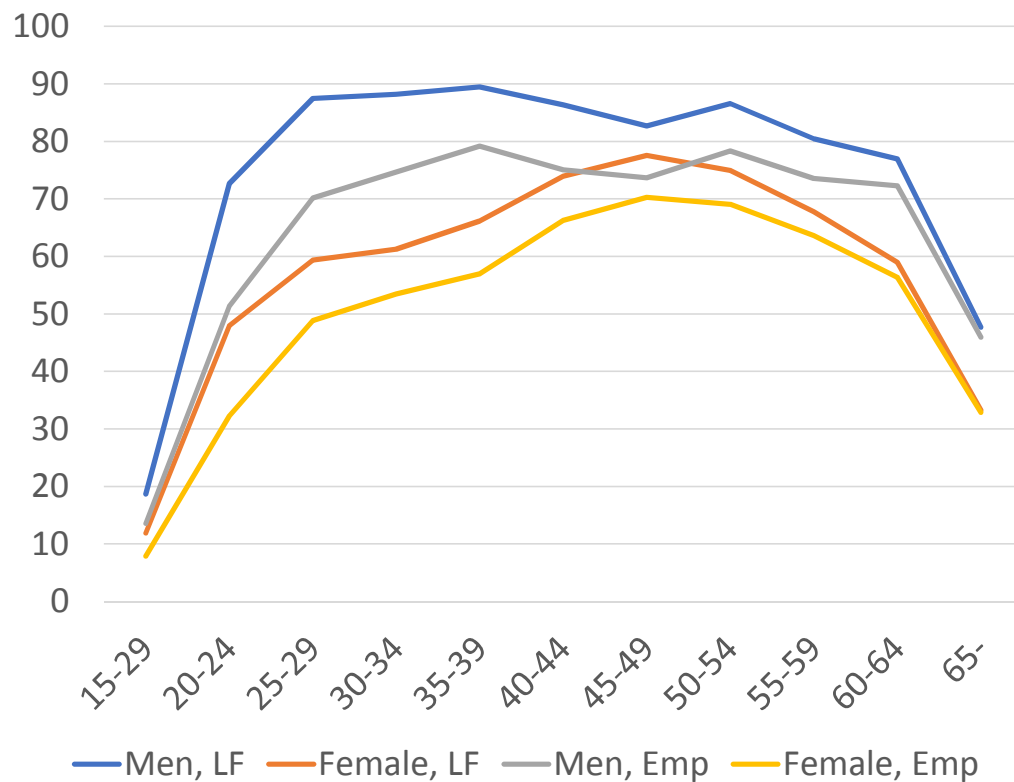


Labour force participation and employment rates by age and sex, %

Armenia, 2019

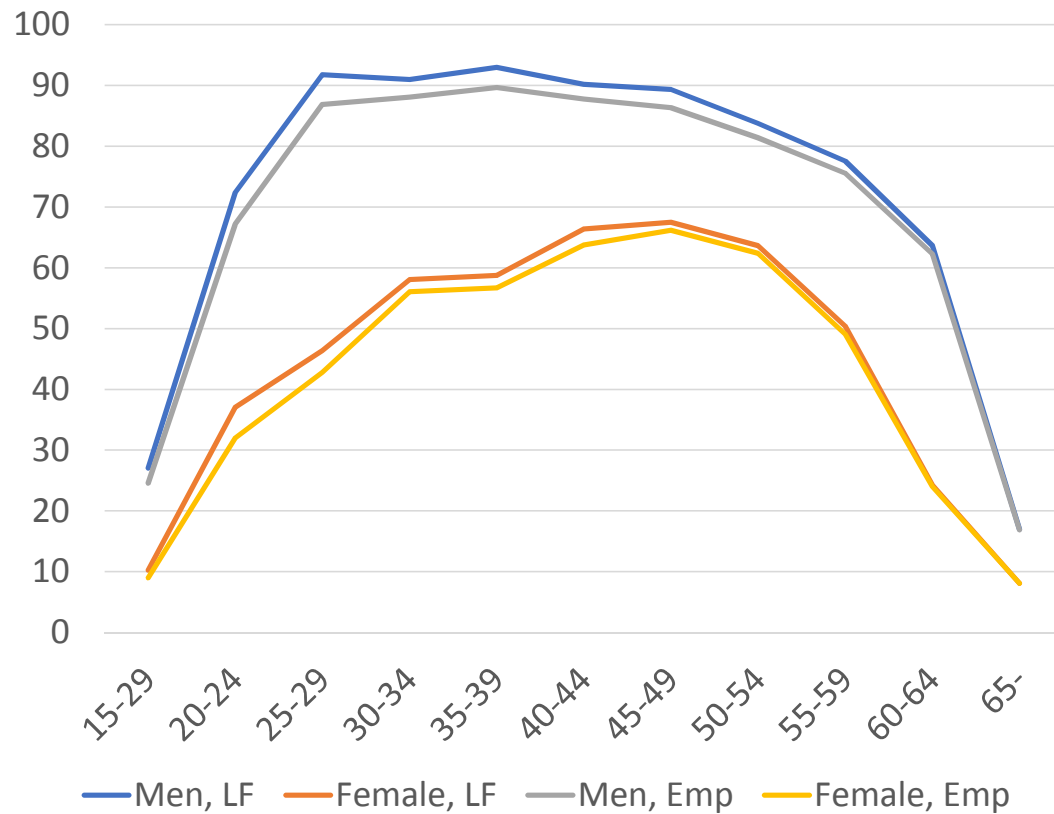


Georgia, 2019

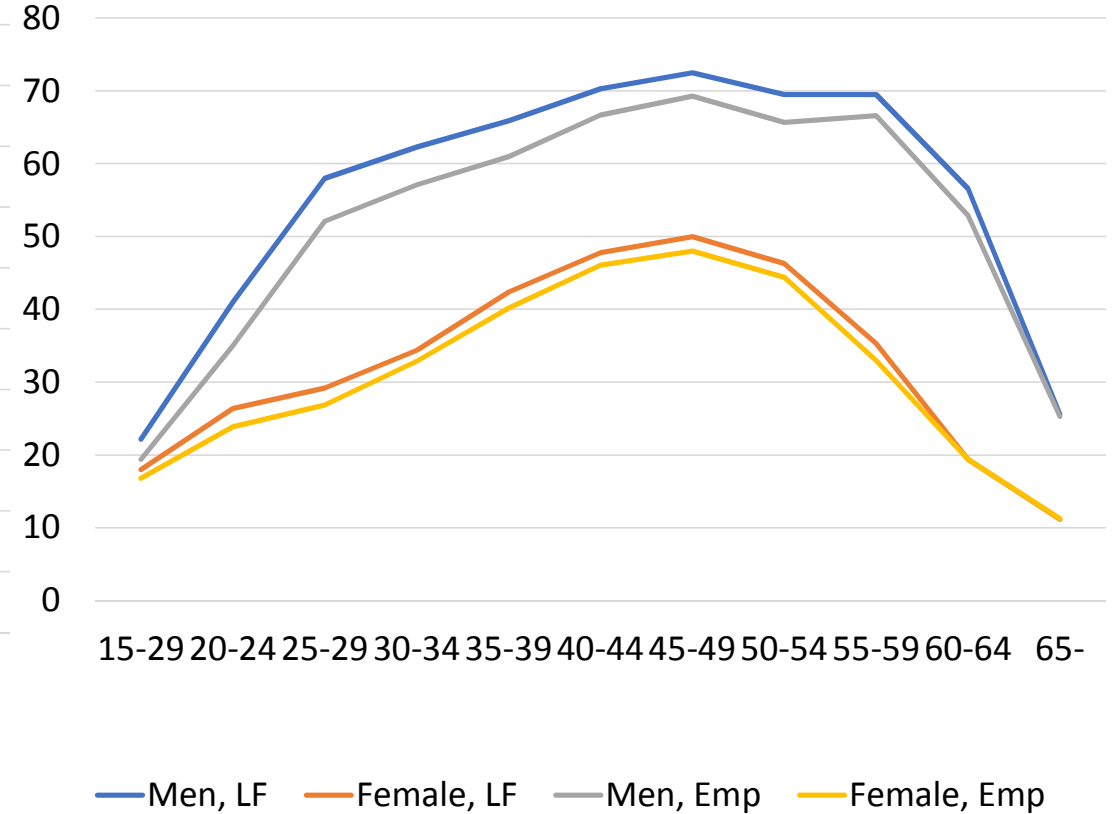


Labour force participation and employment rates by age and sex, %

Kyrgyzstan, 2018

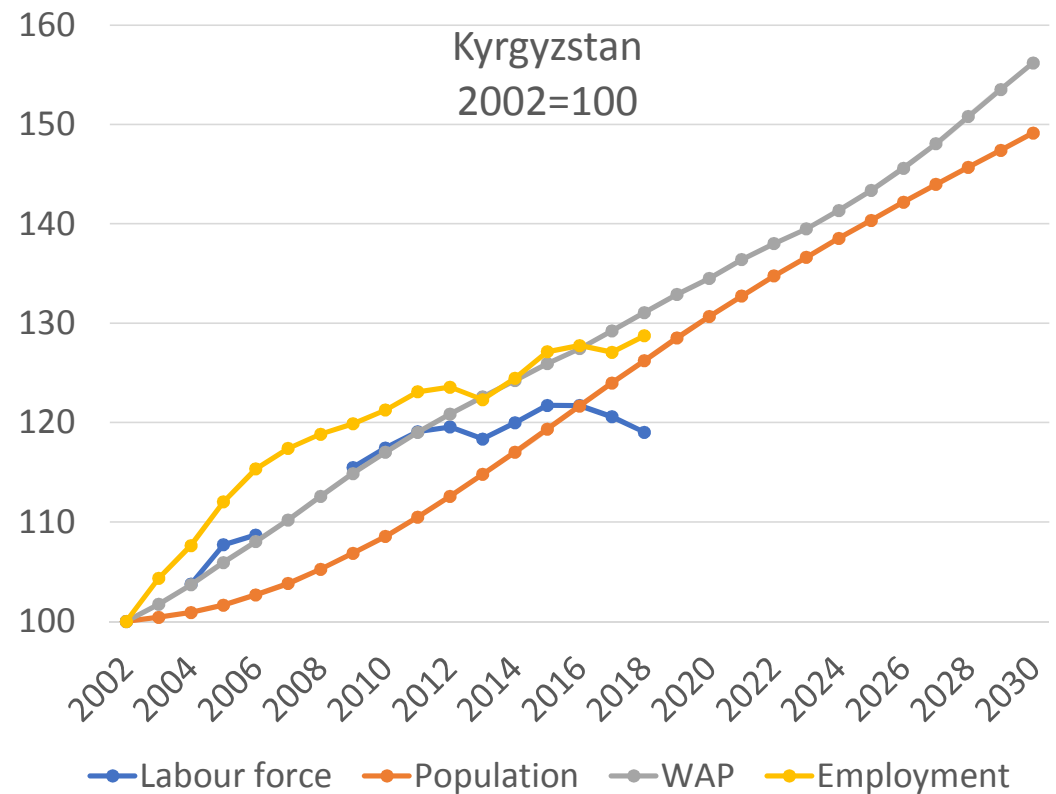
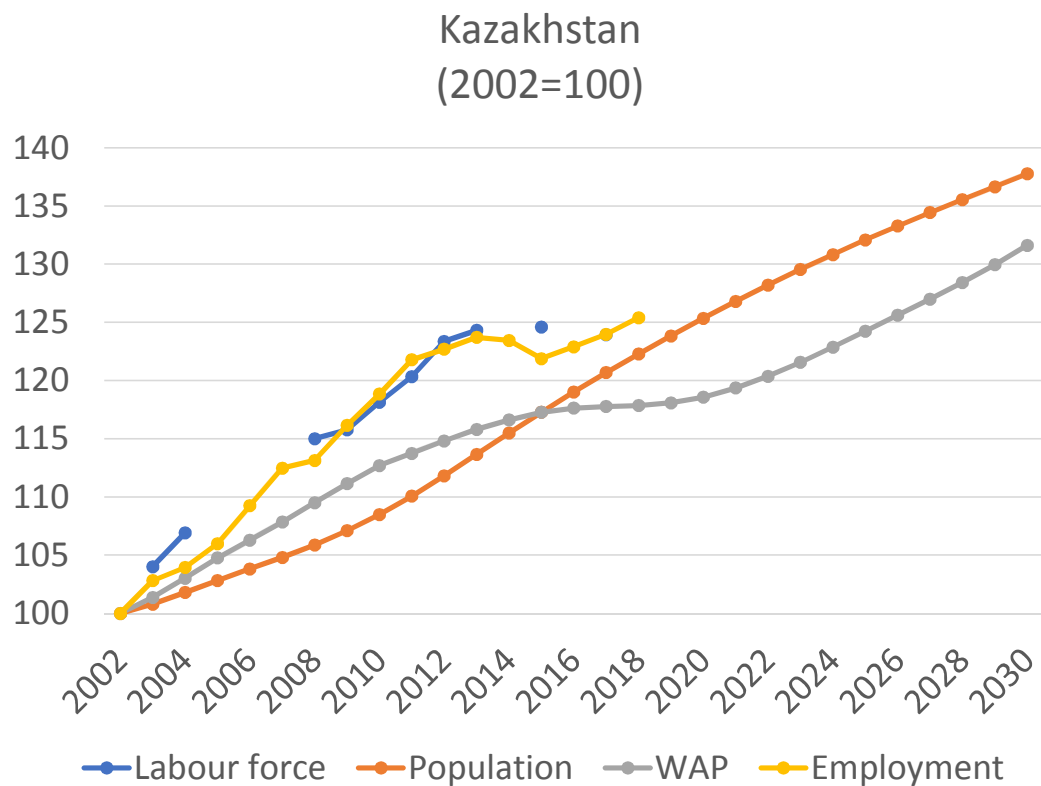


Tajikistan, 2016



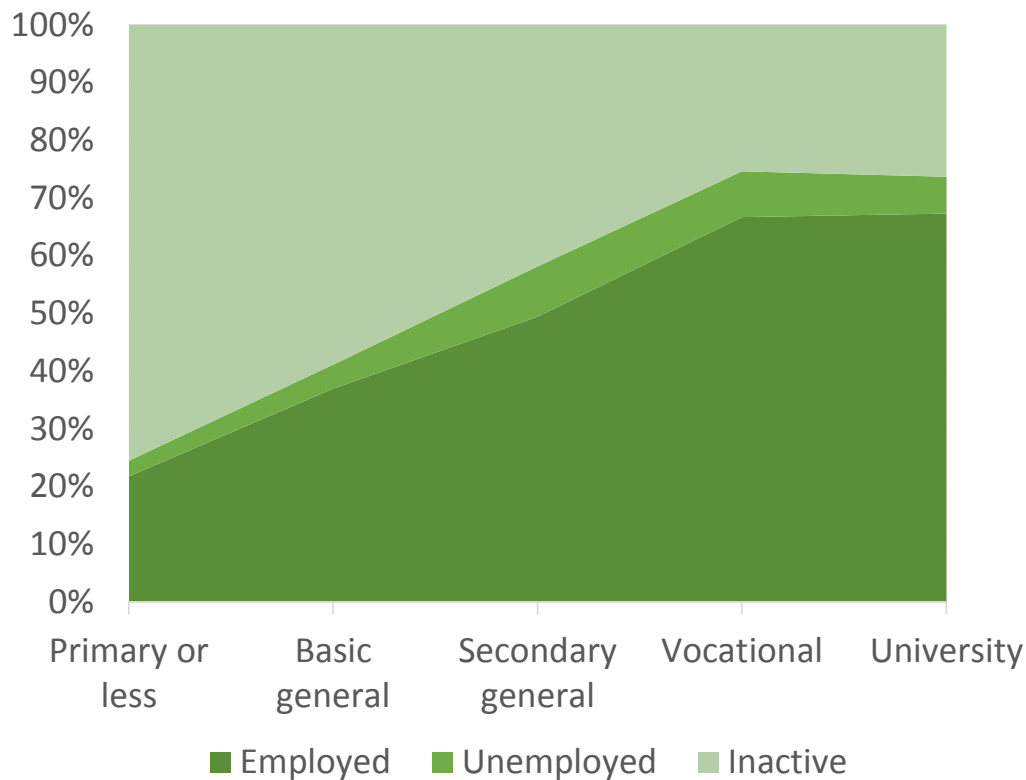
Growth of population and working-age population (WAP, 15-64 years) can diverge, as can labour force and employment (Index 2002=100)

What explains the 2013 break in trend for labour force and employment?

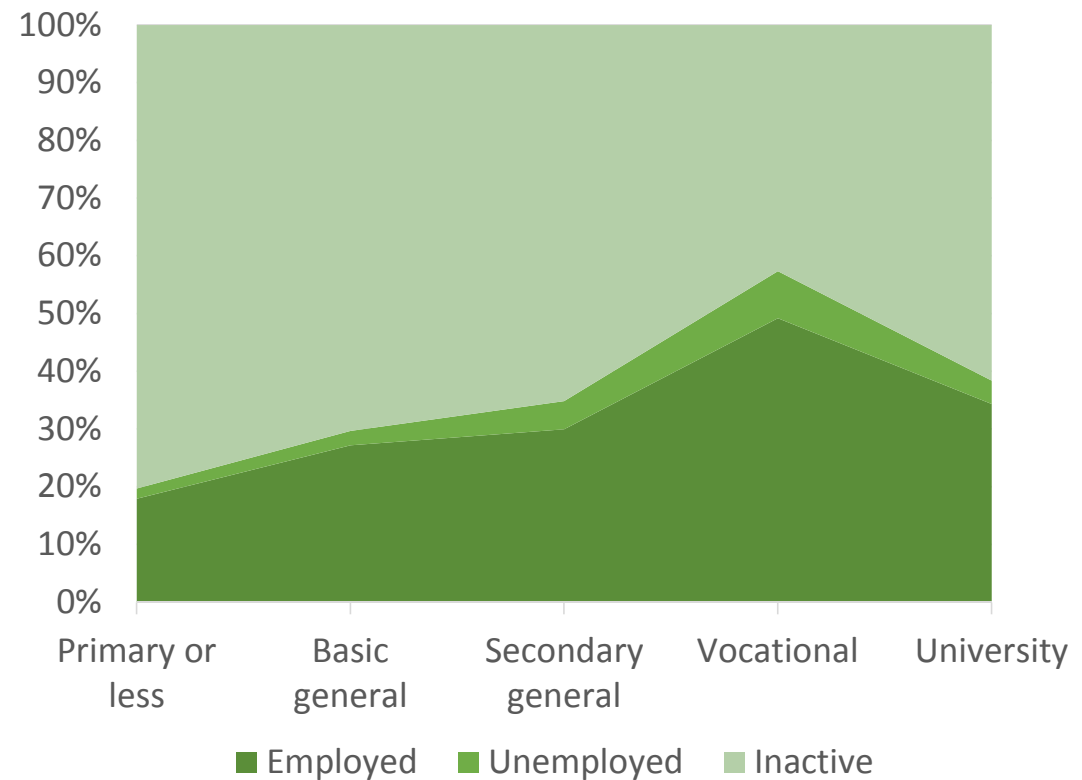


Education and gender as determinants of labour force participation Tajikistan, 2012

Men



Women

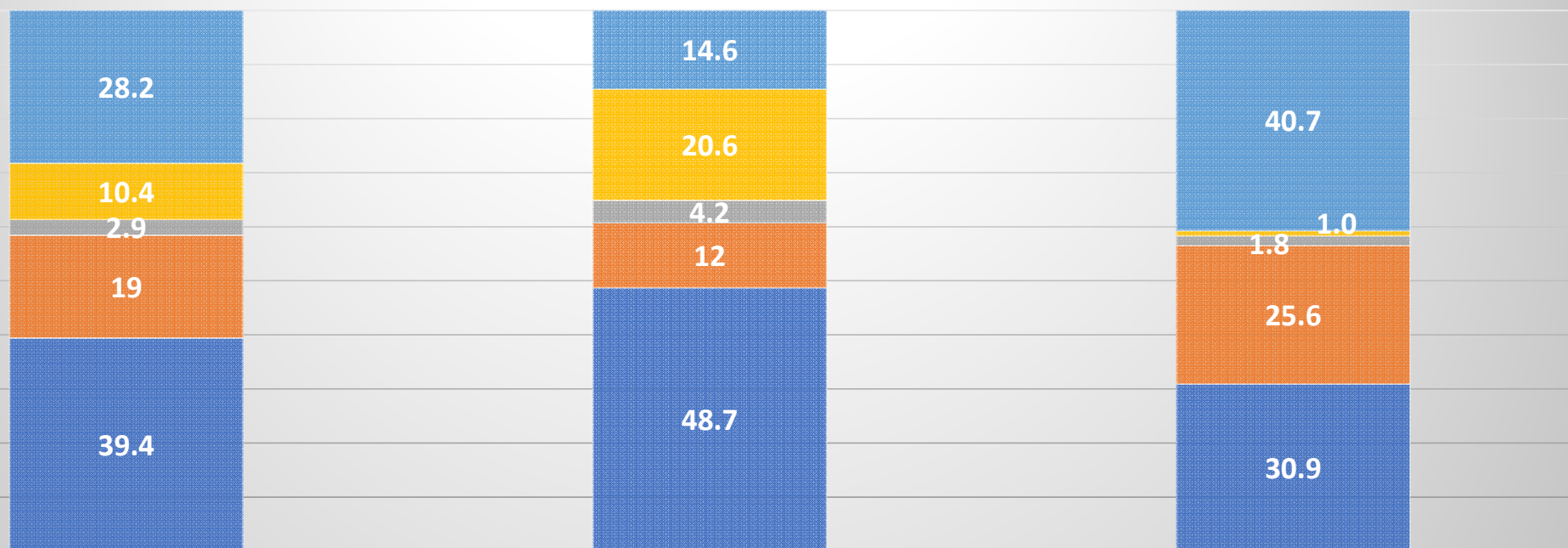


What is employment?

- Production of goods and services, except services produced for own consumption
- Same definition as used in the national accounts to classify what is an economic activity that should be included in the GDP.
- Using the same definition for economic production and employment makes it possible to calculate labour productivity, employment elasticities of economic growth etc.
- Two important exceptions:
 - Since 2013 production of food (subsistence agriculture) for own consumption no longer considered employment, but still included in GDP
 - Employment abroad is not included employment, as it does not contribute to the country's GDP and labour migrants are not in the labour force

Not being employed in the domestic economy does not imply inactivity

Tajikistan, population 15-74 years, 2016



TOTAL

MEN

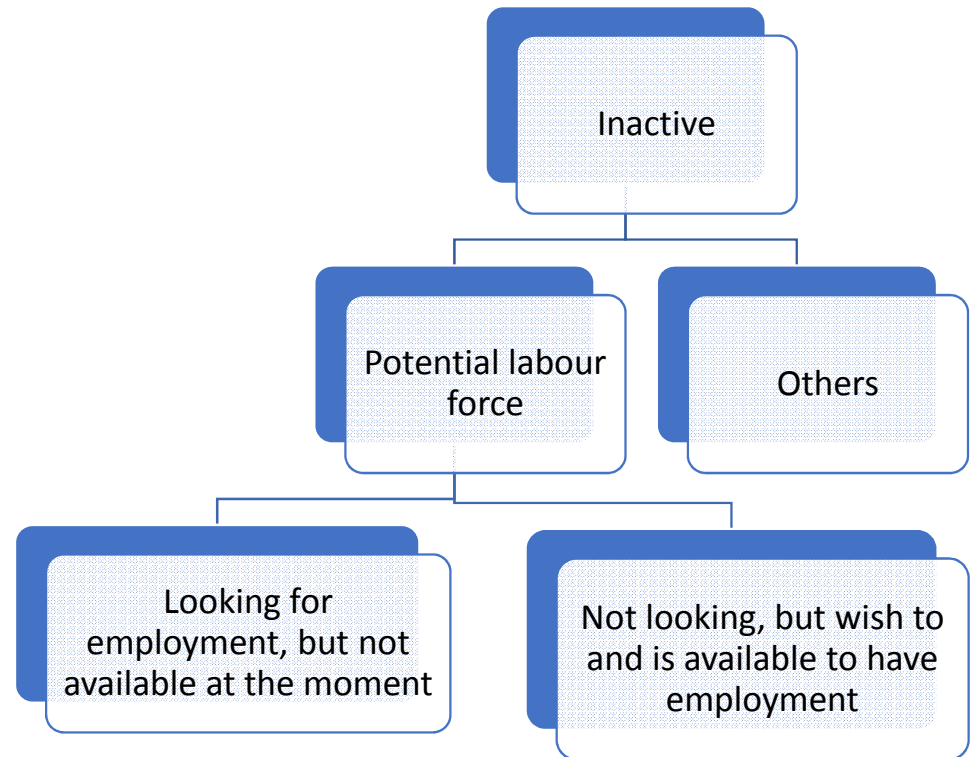
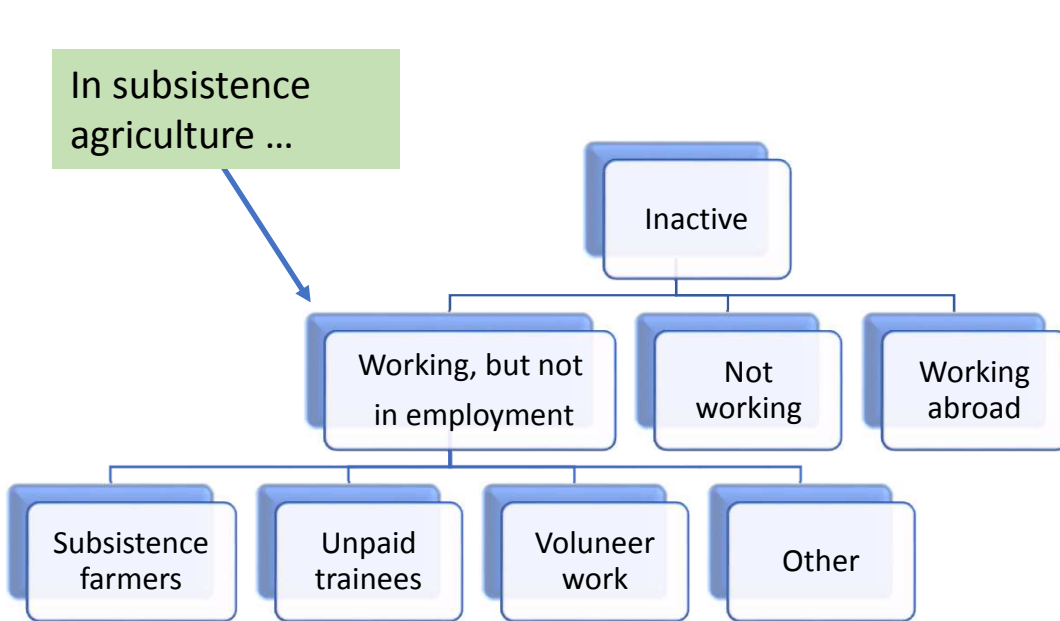
WOMEN

■ Employed
 ■ Working, not employed
 ■ Unemployed
 ■ Labour migrants
 ■ Other

Categories of employed

1. By status; wage employed, employers, self-employed, contributing family members, members of producer cooperatives
2. By economic sector: Agriculture, manufacturing, construction etc. Follows international ISIC classification, same as national accounts, makes it possible to calculate productivity
3. By occupation
4. Formal / informal
5. Full-time, part-time, under-employed, working poor / non-poor
6. Type of contract (indefinite, short, temporary)

The inactive, too, need to be examined in detail



Breakdown of working-age population: summary table

