



Cooperation and Dialogue on Migration and Mobility (Phase II)

Labour Market Information Systems

Technical Paper

Prepared by The Statistics Unit, ILO

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PURPOSE

The identification of labour market issues in both developed and developing economies critically rests on the availability of data, information and analysis. Labour market information (LMI) provides an essential basis for employment, migration and labour policies, and informs the design, implementation, monitoring and evaluation of policies that are better focused and targeted.

FUNCTIONS

F1 : The LMIS is responsible for labour market analysis



The first function (F1) is purely analytical and as such is usually being undertaken, at least to some extent, by academic and research institutions, which may or may not have a focus on labour markets.

However, the main purpose of LMIS that have been established outside academia is the production of information and analysis for policy-makers and other labour market stakeholders.

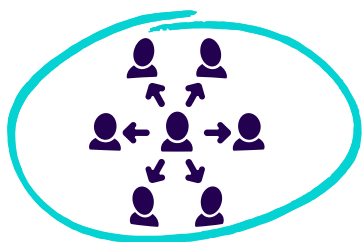
It is important that institutional arrangements are established to make the information and analysis widely available to the target group and to provide opportunities for labour market stakeholders to influence the agenda of the LMIS.

F2 : The LMIS is responsible for monitoring and reporting

The LMIS can also be directly involved in monitoring and reporting on employment and labour policies (F2). If in addition to monitoring and reporting on policies the LMIS is used to conduct policy analysis and evaluations, the system would combine functions F1 and F2.



F3 : The LMIS system provides a mechanism to exchange information or coordinate different actors and institutions that produce and utilize labour market information and analysis



Both at the international and the national levels, the institutional role of the LMIS can be broadened to include a third function (F3), the exchange of information or coordination of the LMIS activities of labour market stakeholders, which include statistical agencies, research agencies and agencies involved in policy formulation and implementation including employers' and workers' organizations. This function may range from the dissemination of information on concepts, definitions and standards, to the allocation of resources regarding data collection or specific analytical activities (e.g. evaluations, econometric models).

COMPONENTS

C1 : Collection and compilation of data and information

With regard to component (C1), and given that LMIS should provide analyses of labour markets in their economic context, collection or compilation of data consists not only of data on labour markets, but also on the broader economy. The main data sources of labour and migration statistics consist of household surveys, establishment surveys and administrative records.

C2 : Repository of information

This information collected and/or derived from primary sources must be stored and made accessible to users by means of a software platform which will constitute the sole repository of labour market information (C2).

C3 : Analytical capacity and tools

LMIS embody the analytical capacity to identify and interpret labour market developments and trends, and to relate these trends to policies or other factors influencing labour market outcomes (C3).

In terms of analytical capacity, LMIS can be developed at three levels.

- The core or first level LMIS consists of monitoring or tracking a set of indicators.
- The second level provides a starting point for a range of additional analytical activities and studies, focusing on relationships in the labour market and between the labour market and the broader economy (second-level LMIS).
- The third and most advanced level of LMIS involves the use of comprehensive econometric models, building on second-level analysis. Econometric models represent an analytical approach that allows for the generation of economy-wide, detailed and consistent projections of labour market developments.

C4 : Institutional arrangements and networks

Institutional arrangements (C4) enable labour market actors to use information and analysis, and facilitate the creation of networks of users and producers, including government departments, employers' and workers' organizations, statistical agencies and research organizations. These arrangements are needed for the LMIS to effectively perform its analytical function, for example by providing access to data (from statistical agencies, administrative bodies and other entities), but also to allow for the effective dissemination of information and analysis. An example of a straightforward institutional arrangement is the establishment of an LMIS Advisory Panel (or a Steering Committee) comprising of policy-makers, the statistical agency and workers' and employers' organizations.

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