



Measuring Decent Work: Framework and overview of selected indicators

Coffi Agossou

ILO Pretoria

Contents

- What is decent work?
- Principles and framework for measuring DW
- Structure of DW indicators framework
- Review of selected main decent work indicators
- Decent work indicators reference: the ILO manual



ILO concept of decent work (1)

The concept of Decent Work has been defined by the ILO and endorsed by the international community as

“Opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity.”

1999 International Labour Conference Report



ILO concept of decent work (2)

- Productive work that delivers...
 - ☐ A fair income
 - ☐ Security in the workplace
 - ☐ Social protection for workers and their families
 - ☐ Better prospects for personal development and social integration
 - ☐ Freedom to express concerns, organize and participate in decisions that affect lives
 - ☐ Equality of opportunity and treatment for all.

Therefore DW = 4 PILLARS

- Right at work
- Employment opportunities for all
- Social security
- Social dialogue

Structure of DWI framework (1)

Grouping of statistical and legal framework indicators under 10 substantive elements:

1. Employment opportunities (1 + 2)	6. Stability and security of work (1, 2 + 3)
2. Adequate earnings and productive work (1 + 3)	7. Equal opportunity and treatment in employment (1, 2 + 3)
3. Decent working time* (1 + 3) (Note: name change from "Decent hours")	8. Safe work environment (1 + 3)
4. Combining work, family and personal life (1 + 3)	9. Social security (1 + 3)
5. Work that should be abolished (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

Structure of DWI framework (2)

A layered approach to indicators:

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

NOTE:

- Gender is a cross-cutting concern of the Decent Work Agenda
- An (S) suggests the indicator be presented by sex in addition to the total value

Structure of DWI framework (3)

➤ Overlap with MDG indicators:

- 1) *Employment-to-population ratio (M)*
- 2) *Own-account and contributing family workers as % of total employment (A)*
- 3) *Working poverty rate (US\$1 a day) (M)*
- 4) *Labour productivity growth rate (C)*
- 5) *Share of women in wage employment in the non-agricultural sector (A).*

- DWIs complement MDG indicators for monitoring progress on the full and productive employment and decent work for all (MDG Target 1B), and on gender disparity (MDG Target 3A).

Main decent work indicators: 17

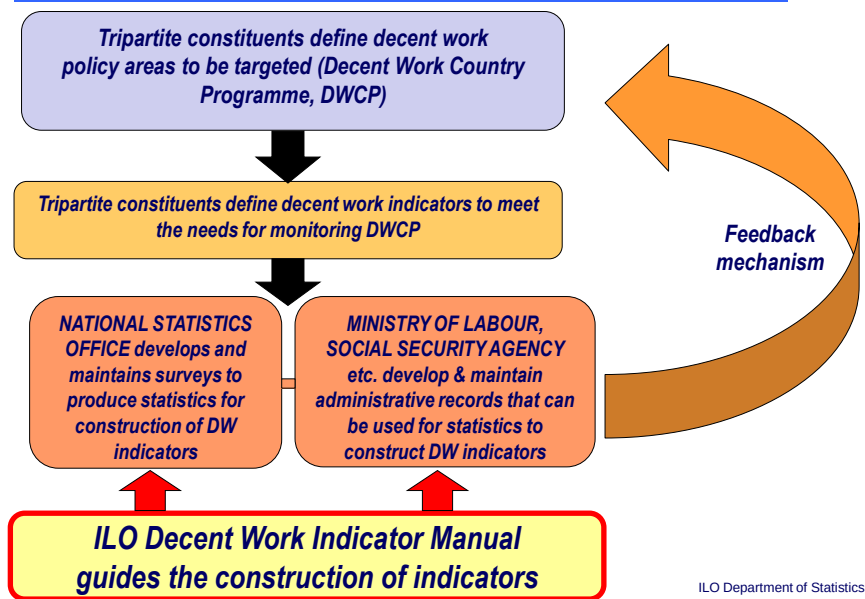
- 1 – EMPL-1. Employment-to-population ratio (EPR)*
- 2 – EMPL-2. Unemployment rate (UR)
- 3 – EMPL-3. Youth not in employment, education or training (NEET), 15-24 years*
- 4 – EMPL-4. Informal employment rate (IER)*
- 5 – EARN-1. Working poverty rate (WPR)*
- 6 – EARN-2. Employees with low pay rate (ELPR)*
- 7 – TIME-1. Employment in excessive working time (more than 48 hours per week)*
- 8 – ABOL-1. Child labour rate (CLR)*
- 9 – STAB-1. Precarious employment rate**
- 10 – EQUA-1. Occupational segregation by sex
- 11 – EQUA-2. Female share of employment in senior and middle management*
- 12 – SAFE-1. Occupational injury frequency rate, fatal*
- 13 – SECU-1. Share of population above the statutory pensionable age (or aged 65 or above) benefiting from an old-age pension*
- 14 – SECU-2. Public social security expenditure (percentage of GDP)
- 15 – DIAL-1. Trade union density rate (TUR)*
- 16 – DIAL-2. Employers' organization density rate (ED)* (**Note: definition suggested to be changed with title change**)
- 17 – DIAL-3. Collective bargaining coverage rate
- 18 – DIAL-4. Indicator for Fundamental Principles and Rights at Work - (**Note: Still to be developed by the Office**).

NOTE: 12 titles have changed since 2008* or are new**.

Manual on DWI: Version 2- Launched in September 2013

- **Purpose:** Pragmatic tool that provides guidance to countries on how to define and interpret statistical and legal framework decent work indicators
- **Manual promotes:**
 - Application of international statistical standards (ICLS)
 - Effective application of international labour standards (ILS)
 - Promotes standardization (info collected, calculations, sources, etc.)
 - Promotes international comparability of DWIs
- **Intended users:** Both users and producers of statistical and legal framework decent work indicators
- **Available in PDF format online at:**
http://www.ilo.org/stat/Publications/WCMS_223121/lang--en/index.htm

ILO Decent Work Indicator Manual Guides the Construction of Indicators for Monitoring Decent Work at the National Level



 Data sources of decent work indicators			
Sources	Recommended periodicity	Strengths	Limitations
Population and housing census	Every 10 years	Universal coverage, estimates for small populations	High costs; Limited questions on the labour force
Household surveys (LFS ¹ , HIES ² , ...)	LFS- annual, or more frequent; Others: every 5 years	Large set of labour topics; Precise measurement of concepts; Data on persons and HHs	Sampling often prevents reliable estimates for small groups/areas
Enterprise censuses & surveys	Economic census: every 10 years; Surveys: annual	Comprehensive coverage of large businesses; Best for: labour costs, earnings, and vacancies	Coverage of small and unregistered businesses depends on sampling frame
Administrative records	Continuous, updating as per administrative procedures	Can provide information on small groups; Population/business registers can serve as sample frames	Covers only registered/ contributing population; Concepts depend on law, quality depend on incentives/ penalties.

1. LFS: Labour Force Survey,

2. HIES: Household Income and Expenditure Survey

ILO Department of Statistics

16

References

- ILO (2013); “DRAFT - Decent Work Indicators - Guidelines for producers and users of statistical and legal framework indicators”; An ILO Manual, Second Version; Geneva, September 2013: http://www.ilo.org/stat/Publications/WCMS_223121/lang--en/index.htm;
- ILO (2013); “Guide to the Millennium Development Goals- Employment Indicators”; Second Edition, Geneva, 2013: http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_elm/documents/publication/wcms_208796.pdf;
- ILO Department of Statistics: <http://www.ilo.org/statistics> ;
- Measuring decent work: <http://www.ilo.org/mdw> ;
- MDG indicators: <http://mdgs.un.org/unsd/mdg/Default.aspx> .

Annex:

Summary definition of main DWI

for further details ref. to ILO manual on decent work indicators, in the references above).

- **Paid employment Jobs:** The incumbents hold explicit (written or oral) or implicit employment contract which give them a basic remuneration not directly dependent upon the revenue of the unit for which they work
- **Self employment jobs** are those jobs where the remuneration is directly dependent upon the profits (or the potential for profits) derived from the goods or services produced; the incumbents make the operational decisions affecting the enterprise, or delegate such decision while retaining responsibility for the welfare of the enterprise

1
9

Status in Employment

- **Employees:** those workers who hold paid employment
- **Employers** – work on their own account
- **Own-account workers** (vulnerable group)
- **Members of producers' cooperatives**
- **Contributing family workers** (vulnerable group)
- **Workers not classifiable by status**

2
0

- **Employees** are all those workers who hold “paid employment jobs”.
- **Employers** are 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 have engaged one or more persons to work for them in their business as employee(s). The partners may or may not be members of the same family or household.
- **Own-account workers** are 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. The partners may or may not be members of the same family or household.

2
1

- **Members of producers’ cooperatives** are 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.
- **Contributing family workers (CFW)** are those workers who hold a ‘self-employment’ job in a market-oriented establishment operated by a related person living in the same household, who cannot be regarded as partners, because their degree of commitment to the operation of the establishment, in terms of working time or other key factors, is not at a comparable level to that of the head of the establishment.

2
2

PART TIME – Convention 175

For the purposes of this Convention:

- (a) the term **part-time worker** means an employed person whose normal hours of work are less than those of comparable full-time workers;
- (b) the normal hours of work referred to in subparagraph (a) may be calculated weekly or on average over a given period of employment;
- (c) the term **comparable full-time worker** refers to a full-time worker who:
 - (i) has the same type of employment relationship;
 - (ii) is engaged in the same or a similar type of work or occupation; and
 - (iii) is employed in the same establishment or, when there is no comparable full-time worker in that establishment, in the same enterprise or, when there is no comparable full-time worker in that enterprise, in the same branch of activity,
- as the part-time worker concerned;
- (d) full-time workers affected by partial unemployment, that is by a collective and temporary reduction in their normal hours of work for economic, technical or structural reasons, are not considered to be part-time workers.

2
3

1. Employment opportunities (M-1)

- Employment-to-population ratio,
15 years and above (S)- (**MDG indicator #1.5**)
 - Definition: Percentage of working-age population (15 and above) that is employed according to Resolution by the 13th ICLS (1982) on Economically Active Population.

$$EPR (\%) = \frac{\text{Number of employed persons in the working age population}}{\text{Total number of persons in the working age population}} \times 100$$

- Recommended data sources: LFS; Population census and other household surveys with an appropriate employment module.

1. Employment opportunities (M-1)

1. Labour force participation rate

- The labour force participation rate (LFPR) provides information about the relative size of the supply of labour currently available for the production of goods and services in an economy. It is a key indicator of the potential for economic growth.
- The LFPR is defined as the number of persons in the labour force given as a percentage of the working-age population.
- $LFPR (\%) = \frac{(\text{Number of persons employed} + \text{Number of persons unemployed})}{\text{Total number of persons in the working-age population}} \times 100$

2
5

1. Employment opportunities (M-2)

- Unemployment rate, UR (S)
 - Definition: Unemployed as % of labour force, according to Resolution by the 13th ICLS (1982) on Economically Active Population.

$$UR(\%) = \frac{\text{Number of unemployed persons in the working age population}}{\text{Total number of persons in the labour force}} (\times 100)$$

- Recommended data sources: LFS; Population census and other household surveys with an appropriate employment module.

1. Employment opportunities (M-3)

- Youth not in employment, education or training (NEET), 15-24 years (S)
 - Definition: Sum of unemployed youth (13th ICLS, 1982) and youth economically inactive for reasons other than education and training, as % of total.

$$NEET(\%) = \frac{\text{Number of youth} - (\text{Number of youth in employment} + \text{Number of youth not in employment who are in education or training})}{\text{Total number of youth}} \times 100$$

- Recommended data source: LFS.

1. Employment opportunities (M-4)

- Informal Employment Rate, IER (S)
 - Definition: Informal employment as % of total employment, according to Guidelines concerning a statistical definition of informal employment by the 17th ICLS (2003).

$$IER(\%) = \frac{\text{Number of employed persons in informal employment}}{\text{Total number of employed persons}} \times 100$$

- Recommended data source: LFS
- Substitute indicator: Proportion of own-account and contributing family workers in total employment (POACFW).

2. Adequate earnings (M-5)

- Working Poverty Rate (WPR) (S)
 - Definition: **MDG Indicator #1.6**, based on national poverty line; alternatively based on international definition of poverty line of \$1 and \$2.

$$WPR (\%) = \frac{\text{Number of employed persons living in households with incomes below the national poverty line}}{\text{Total number of employed persons}} \times 100$$

- Standards: 13th ICLS of 1982, and 17th ICLS of 2003
- Source: LFS with household income data, socio-economic surveys covering both employment and income data.

2. Adequate earnings (M-6)

- Low Pay Rate (LPR) (employees paid below 2/3 of median earnings) (S)
 - Definition: Percentage of all employed persons with hourly earnings less than 2/3 of median hourly earnings of full-time workers; cf. Resolution on employment-related income by the 16th ICLS (1998).

$$LPR (\%) = \frac{\text{Number of employees paid less than } \frac{2}{3} \text{ of median earnings}}{\text{Total number of employees}} \times 100$$

- Standards: 12th ICLS, 1973; 16th ICLS, 1998 and 17th ICLS, 2003.
- Source: LFS and other household surveys with employment module (income from employment).

3. Decent hours (M-7)

- Employment in Excessive Working Time (more than 48 hours per week/ national threshold), EEWT (S)
 - Definition: Employed persons whose hours actually worked (according to the Resolution on Working Time by the 18th ICLS of 2008) exceed 48 hours (threshold from ILO Convention No. 1 of 1919).

$$EEWT (\%) = \frac{\text{Number of employed persons whose hours actually worked per week} > 48}{\text{Total number of employed persons}} \times 100$$

- Source: LFS, as it permits disaggregations by economic activity and other key employment characteristics.

5. Work that should be abolished (M-8)

- Child Labour Rate, CLR (S)
 - Definition: Measure the proportion of children aged 5 to 17 completed years who are in child labour, as defined by the Resolution on Child Labour Statistics of the 18th ICLS (2008).

$$\text{Child labour rate} (\%) = \frac{\text{Number of children in child labour aged 5 to 17}}{\text{Total number of children aged 5 to 17}} \times 100$$

- Source: Household-based Child Labour Surveys (CLS); LFS with a child labour module.

6. Stability and security of work (M-9)

- Precarious Employment Rate, PER (S)

- Definition: Employed persons who are casual, seasonal or short-term workers, or whose contract can be terminated at short notice or at will, in % of currently employed population aged 15 and above:

$$PER (\%) = \frac{\text{Number of persons who are in precarious employment}}{\text{Total number of employed persons}} \times 100$$

- Can be complimented by indicators on the share of various categories (casual workers, seasonal workers, etc.);
- Recommended data source: LFS, as it include information on contract characteristics.

7. Equal opportunity and treatment in employment (M-11)

- Female share of employment in ISCO-08 groups 11 and 12

- Definition: Employed women in ISCO-08 groups 11 and 12 as % of all employed persons in these groups; measure for vertical segregation.

$$\begin{aligned} \text{Female share of employment in ISCO - 08 groups 11 and 12 (\%)} \\ = \frac{\text{Number of employed women in ISCO - 08 groups 11 and 12}}{\text{Total number of employed persons in ISCO groups 11 and 12}} \times 100 \end{aligned}$$

- Alternative: Share in ISCO-08 major group 1.
- Source: LFS, population census.



7. Share of women in wage employment in the non-agricultural sector (MDG1.B)

- This indicator presents the share of women in paid employment in the non-agricultural sector as a percentage of total paid employment in the non-agricultural sector.

$$WWENA = \frac{\text{Number of women in paid employment in the non agricultural sector}}{\text{Total number of persons in paid employment in the non agricultural sector}} \times 100$$

Progress is assessed by an increase in the value of the indicator (often aiding poverty reduction)

3
6



8. Safe work environment (M-12)

- Occupational Injury Frequency Rate, Fatal
 - Definition: Number of fatal occupational injury cases per hours worked during a reference period (in accordance with the Resolution concerning occupational injuries of the 16th ICLS, 1998);

Fatal occupational injury frequency rate

$$= \frac{\text{Number of new cases of occupational fatalities during the reference period}}{\text{Total number of hours worked by workers in the reference group during the reference period}} \times 1,000,000$$

- Or the incidence rate, i.e. number of new cases by average number of workers:

Fatal occupational injury incidence rate

$$= \frac{\text{Number of new cases of occupational fatalities during the reference period}}{\text{Total number of workers in the reference group during the reference period}} \times 100,000$$

- Source: Administrative records, supplemented by establishment surveys or HH surveys to cover the informal sector.

9. Social security (M-13)

- Share of population aged 65 years and above benefiting from an old-age pension (S)
 - Definition: Population aged 65 years and above benefiting from pension, as % of total population in age group.

$$\begin{aligned} & \text{Share of old – age pension beneficiaries (\%)} \\ &= \frac{\text{Number of old – age pension beneficiaries s above statutory retirement age}}{\text{Total number of persons above statutory retirement age}} \\ & \times 100 \end{aligned}$$

- Source: Administrative records; household surveys (LFS, HIES).

9. Social security (M-14)

- Public social security expenditure (% of GDP)
 - Definition: According to Resolution on social security statistics by the 9th ICLS (1957).

$$\begin{aligned} & \text{Public social security expenditure (\%)} \\ &= \frac{\text{Total annual public social security expenditure}}{\text{GDP}} \times 100 \end{aligned}$$

- Source: National accounts, administrative records (national social security schemes data).

10. Social dialogue, workers' and employers' representation (M-15)

- Trade Union Density Rate (if possible by S)
 - Definition: Percentage of employed persons (or employees) who are trade union members:

$$TUD\ EMP = \frac{\text{Trade union members in employment}}{\text{Total number of employed persons}} \times 100$$

- Or an adjusted trade union rate, ADR:

$$ADR = \frac{\text{membership} - (\text{retired} + \text{students} + \text{unemployed})}{\text{wage and salaried employees} - \text{ineligible groups}}$$

- Sources: LFS with data on union membership, administrative data, establishment surveys

10. Social dialogue, workers' and employers' representation (M-16)

- Employers' Organizations Density Rate (ED)
 - Definition: Share of employees working in enterprises belonging to employers' organizations.

$$\text{Employers' organization density rate (\%)} = \frac{\text{Number of employees working in enterprises belonging to an employers' organization}}{\text{Total number of employees}} \times 100$$

- Source: Business registers; establishment surveys.



10. Social dialogue, workers' and employers' representation (M-17)

- Collective Bargaining Coverage Rate, CBCR (S)
 - Definition: Proportion of persons in employment whose working conditions are determined by one or more collective agreements;

$$CBCR\ EMP = \frac{\text{Number of employed persons whose pay and conditions are determined by collective agreement}}{\text{Total number of employed persons}}$$

× 100

- Or adjusted bargaining coverage rate:

$$ACR = \frac{\text{covered employees}}{\text{wage and salaried employees - ineligible groups}}$$

- Sources: Administrative records; establishment surveys.



11. Key Indicators of the Labour Market

- The 8th Edition Key Indicators of the Labour Market (KILM) is launched December 2013
- It Contains 18 key indicators: concepts, definitions, limitations, trends analysis
Spread sheet, mapping, graphing functions
- It is Downloadable annual data from 1990-MRY



Latest version of the KILM:

Software package, to be downloaded from

<http://www.ilo.org/kilm>



KILM 8th Edition

- KILM 1. Labour force participation rate
- KILM 2. Employment-to-population ratio
- KILM 3. Status in employment
- KILM 4. Employment by sector
- KILM 5. Employment by occupation
- KILM 6. Part-time workers
- KILM 7. Hours of work
- KILM 8. Employment in the informal economy
- KILM 9. Unemployment



KILM 8th Edition

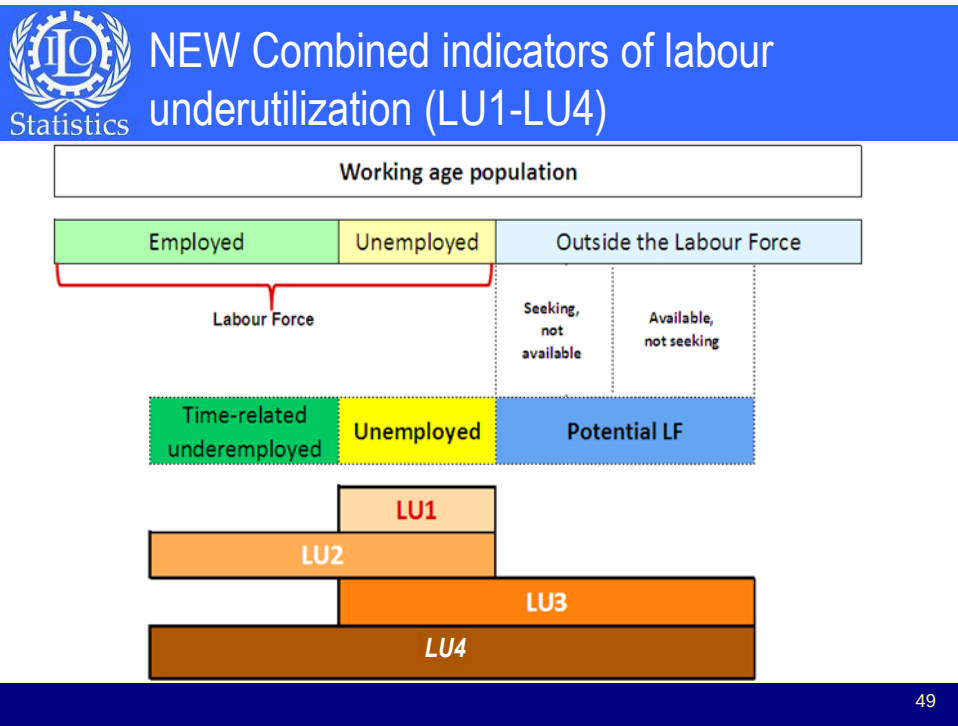
- KILM 10. Youth unemployment
- KILM 11. Long-term unemployment
- KILM 12. Time-related underemployment
- KILM 13. Inactivity
- KILM 14. Educational attainment and illiteracy
- KILM 15. Skills mismatch
- KILM 16. Wages and compensation
- KILM 17. Labour productivity
- KILM 18. Poverty, income distribution and the working poor



ILOSTAT

- ILOSTAT – ILO's central statistics database is the primary source for cross-country statistics on the labour market.
- The database contains over 100 indicators covering more than 230 countries and economies;
- Easy to browse by country and find data for [Lesotho](#)
- **The Labour Force Survey is the main source of data to inform ILOSTAT**

<http://www.ilo.org/ilostat>



Combined indicators of labour underutilization (LU1-LU4)

Four indicators: to assess the nature of LU throughout the business cycle:

- **LU1:** Unemployment rate:

$$[\text{persons in unemployment} / \text{labour force}] \times 100$$
- **LU2:** Combined rate of time-related underemployment and unemployment:

$$[(\text{persons in time-related underemployment} + \text{persons in unemployment}) / \text{labour force}] \times 100$$
- **LU3:** Combined rate of unemployment and potential labour force:

$$[(\text{persons in unemployment} + \text{potential labour force}) / (\text{extended labour force})] \times 100$$
- **LU4:** Aggregate measure of labour underutilization:

$$[(\text{persons in time-related underemployment} + \text{persons in unemployment} + \text{potential labour force}) / (\text{extended labour force})] \times 100$$

*Note: extended LF =
LF + potential labour force*

THANK YOU !
Merci!
Obrigado!