



Overview of the 19th ICLS Resolution on Work Statistics and Conceptual Frameworks: Forms of work and Labour underutilization

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Resolution concerning statistics of Work, Employment & Labour underutilization

- Adopted by 19th ICLS in October 2013 (**brand new!**)
- Updates previous standards on
 - Statistics of the economically active population, employment, unemployment and underemployment (13th ICLS, 1982)
- Sets new framework for work and labour market statistics
- Developed through wide consultation (2008-2013)
- Builds on accumulated good practice
- Promotes progressive implementation
- Enables reconstruction of existing series
- Promotes greater international comparability



Why the need for revision? 18th ICLS and UNSC, 39th session (2008)

- In response to calls to **address limitations of unemployment** statistics (2003 job crisis; 2008 financial crisis)
- Provide measures of **labour underutilization**, beyond unemployment
- Recognize and provide framework for measurement of **all work, paid and unpaid**
- Facilitate **integration** of labour statistics with other domains
- Respond to **emerging** social and economic information **needs** (labour market dynamics, job creation, household livelihoods, well-being, *beyond GDP indicators, ...*)



Scope of new standards

- **Forms of Work framework and operational definitions**
 - Employment, Own-use production work, Volunteer work, ...
- **Measures of Labour underutilization**
 - Unemployment, time-related underemployment, potential labour force
- **Classifications of working age population**
 - By labour force status; by main form of work
- **Data collection programmes**
 - Pop. coverage, Age limits, Sources, Periodicity of collection / reporting
- **Indicators, tabulations**
 - To select minimum national set, including headline indicators
- **Evaluation, communication, dissemination & international reporting**
 - Phased adoption of new standards (parallel series)



Work and Forms of Work Framework



Work (§ 6)

1st international statistical definition

**“Any activity performed
by persons of any sex and age
to produce goods or to provide services
for use by others or for own use”**

- Irrespective of legality, formal / informal nature of activity, context or person status
- **Consistent** with the scope of productive activities

**Recognizes all productive activities as work
But WORK ≠ Employment**



Economic production as per 2008 SNA

“Economic production may be defined as
an **activity** carried out under the
control & responsibility of an **institutional unit** that
uses **inputs of labour**, capital, goods & services
to produce outputs of goods or services”

Para. 6.24, 2008 SNA

Defines the General production boundary



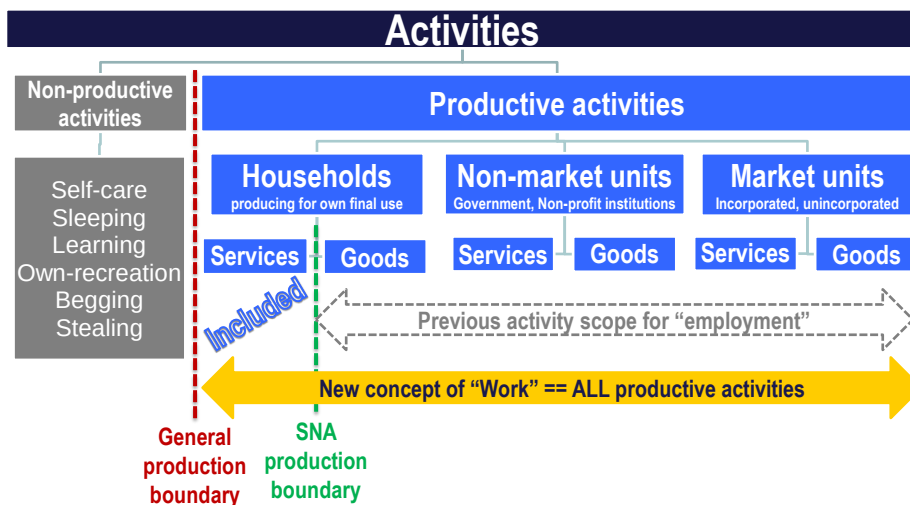
Work and the 2008 SNA (1)

- **Aligned with General production boundary (2008 SNA)**
 - Activity must result in **production** of goods or services
 - Activity must fulfill **3rd person criterion**: i.e. it must be possible for someone else to perform the activity on one's behalf
- **Can be performed in any kind of economic unit**
 - **Market units** (i.e. for profit units, such as corporations, quasi-corporations and household unincorporated market enterprises)
 - **Non-market units** (i.e. government & non-profit institutions)
 - **Households producing goods or services for own final use**

Enables coherence between work statistics and economic statistics



Work and the 2008 SNA (2)





Examples of activities for own final use by households (Own-use production work)

Services (Within General prod. boundary)	Goods –incl. intermediary products (Within SNA production boundary)		
•Household management •Cleaning, decorating & maintaining dwelling, incl. small repairs •Cleaning, repairing household durables, vehicles or other goods •Preparing & serving meals •Caring for, training & instructing children •Caring for the sick, invalid or old people •Transporting household members or their goods	•Growing or gathering field crops, fruits & vegetables •Producing eggs, milk, meat •Hunting animals and birds •Catching fish, crabs & shellfish •Cutting firewood & building poles •Collecting thatching & weaving materials •Burning charcoal •Mining slat •Cutting peat •Carrying water	•Threshing, milling grain •Making butter, ghee, cheese •Slaughtering livestock •Curing hides, skins •Preserving meat, fish •Making beer, wine, spirits •Crushing oil seeds •Weaving baskets, mats •Making clay pots, plates •Weaving textiles •Making furniture •Dressmaking, tailoring •Handicrafts made from non-primary products	•Constructing dwellings •Constructing farm buildings •Building boats and canoes •Clearing land for cultivation



Why previous 1 to 1 link between Employment activity & the SNA?

- To ensure that labour input = SNA production
- Supports estimates of GDP & productivity

SNA economic activity

ALL production of goods

- In market & non-market units
- In households

SOME provision of services

- In market & non-market units
- In households (when paid)

Excluded:

Unpaid household services

- by household members
- by volunteers

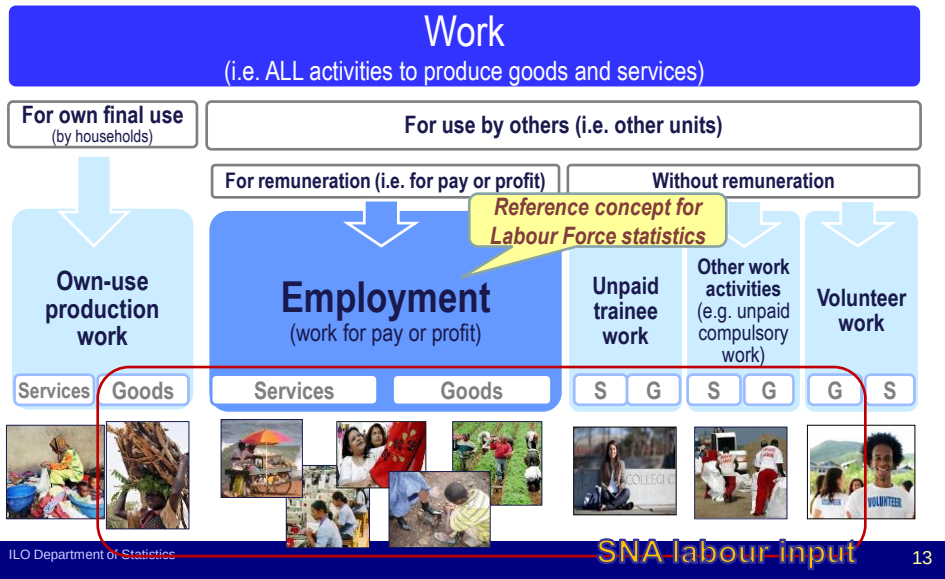
Labour input into
production
(total hours worked)

National
production
accounts
(GDP)

Satellite
accounts



Forms of Work Framework (1): By main intended destination & transaction type



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Forms of work framework (2)

- **A classification of productive activities (not people!)**
- **Distinguishes different “types” of work** (i.e. productive activities)
 - Main **intended destination** of production (own final use / use by others)
 - Type of **transaction** (for remuneration / without remuneration)
- **Enables their separate measurement in full**
- **Supports more targeted monitoring to inform policymaking**
- **Permits coherence with national accounts**
 - National production & satellite accounts

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Forms of work framework (3): Basic concepts

- **Own-use production work**
 - Activities to produce goods & services **mainly for own final use by household**
- **Employment work**
 - Activities to produce goods & services [for others in exchange] **for pay or profit**
- **Unpaid trainee work**
 - Activities to produce goods & services for others performed **without pay in order to acquire workplace experience or skills**
- **Volunteer work**
 - **Non-compulsory** activities performed **without pay** to produce goods and services **for others**
- **Other work activities**
 - E.g. **Compulsory** activities performed **without pay** to produce goods & services **for others**



Relevance for Labour force statistics

Intended destination	for own final use		Reference concept for Labour force statistics				
Forms of work	Own-use production work		Employer (work for pay or profit)	Unpaid trainee work	Other work activities*	Volunteer work	
	of services	of goods				in market and non-market units	in households producing goods services
Relation to 2008 SNA			Activities within the SNA production boundary				
			Activities inside the SNA General production boundary				

*i.e. compulsory work performed without pay for others.

- Employment definition refined as work for pay or profit
- Narrower “employment” definition to serve as basis for labour force statistics
- Other forms of work to be measured separately



Usefulness of new framework

1. Multiple activities of Persons



2. Household allocation of labour, contribution to livelihoods



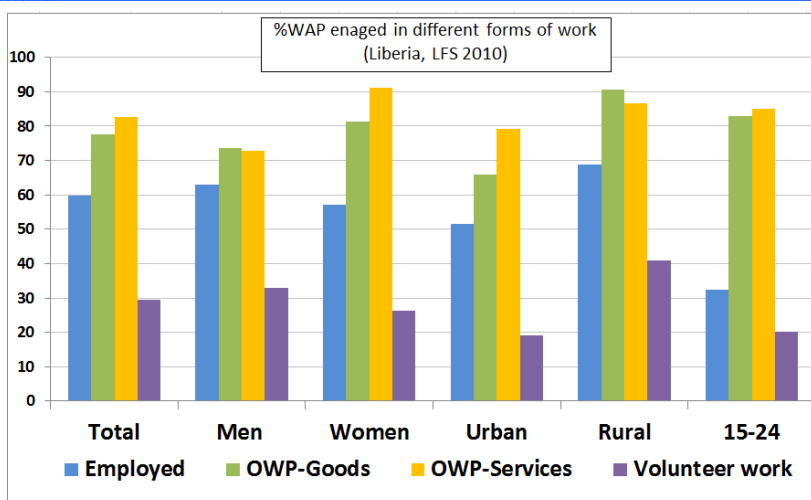
3. Assessment of labour market participation & integration by persons in forms of work other than employment

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Illustration: Participation of WAP in different forms of work (%)



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Quiz: Which form(s) of work?

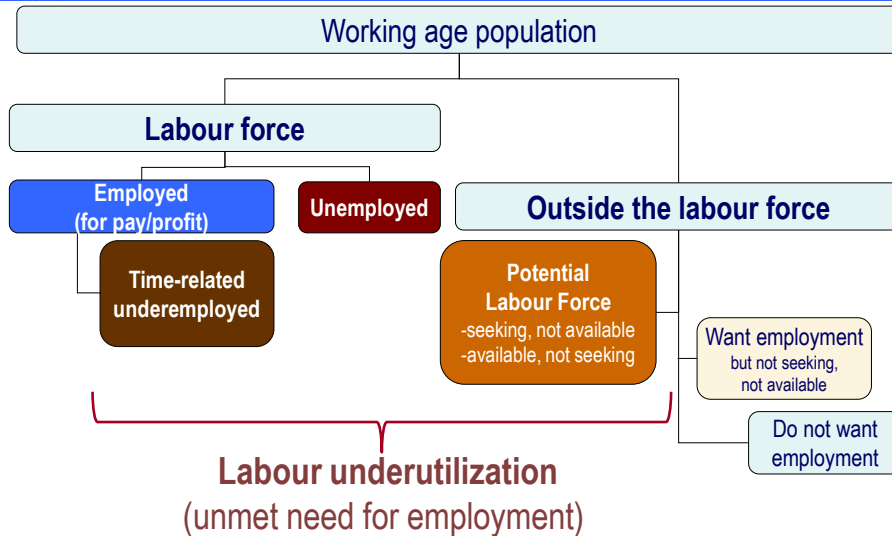
1. Person who operates a general corner store selling groceries
 - In employment (work for profit)
2. Person who works at a store selling clothes for a commission
 - In employment (work for pay)
3. Student doing a full-time unpaid internship at an electronics factory
 - In unpaid trainee work
4. Person who works as government employee & also helps fundraising for a charity
 - In employment AND In volunteer work
5. Person who raises chicken for sale & grows rice for family consumption
 - In employment (work for profit) AND in own-use production work (goods)
6. Person who cleans, cooks, cares for own family & also sells food on the streets
 - In employment AND in own-use production work (services)
7. Person constructing own house & growing vegetables for family consumption
 - In own-use production work (goods)



Labour force and Labour underutilization



Labour force & labour underutilization Improved labour market monitoring across contexts



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Labour underutilization: Scope

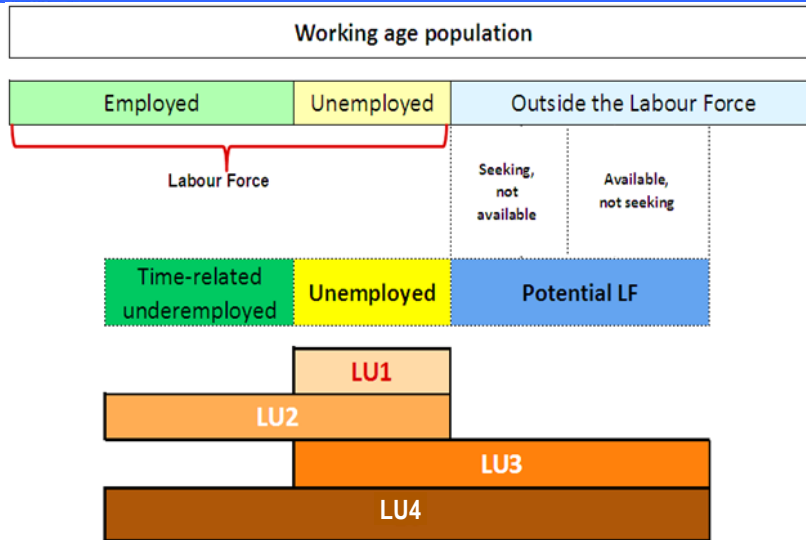
“Refers to mismatches
between labour supply and demand,
which translate into an **unmet need for employment**
among the population”

Para 40, Resol I. (19th ICLS, 2013)

- In reference to employment (work for pay or profit)
- Identifies groups among the employed & persons outside the labour force who share similarities with the unemployed
- Focuses on issues of insufficient labour absorption
- For broader labour market monitoring



NEW Measures of labour underutilization (LU1-LU4)



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Indicators of labour underutilization (1)

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

- LU1:** Unemployment rate:

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

$$\left[\frac{\text{persons in time-related underemployment} + \text{persons in unemployment}}{\text{labour force}} \right] \times 100$$
- LU3:** Combined rate of unemployment and potential labour force: 3

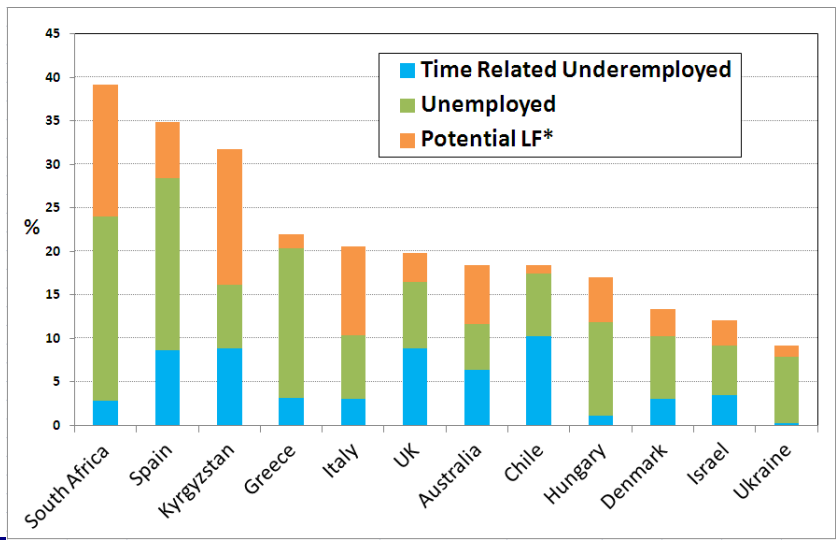
$$\left[\frac{\text{persons in unemployment} + \text{potential labour force}}{\text{extended labour force}} \right] \times 100$$
- LU4:** Composite measure of labour underutilization:

$$\left[\frac{\text{persons in time-related underemployment} + \text{persons in unemployment} + \text{potential labour force}}{\text{extended labour force}} \right] \times 100$$

Note: extended LF = LF + potential labour force



Illustration: Labour underutilization Composite indicator (LU4)



Source: ILO calculations based on national data (2011)

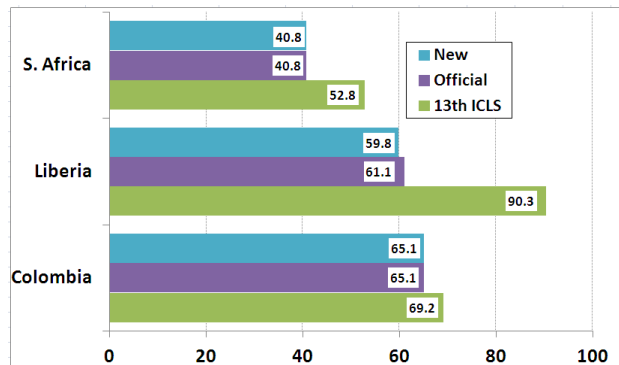


Expected impact of new standards



Impact of new standards: Employment to Population Ratio (15-64 yrs)

- Will vary depending on
 - Extent to which persons may engage exclusively in own-use production of goods, volunteer work and/or unpaid trainee work in the country
 - The previous inclusion of these activities in existing employment statistics

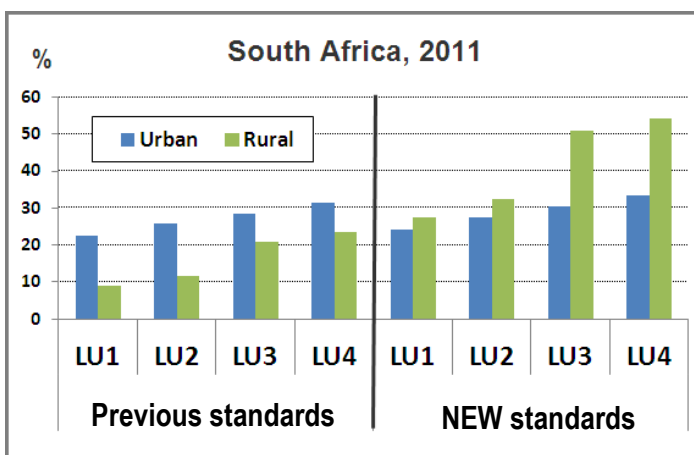


Source: ILO calculations based on national data (2010-2011)

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Impact of new standards: Unemployment & LU measures (Urban/Rural)



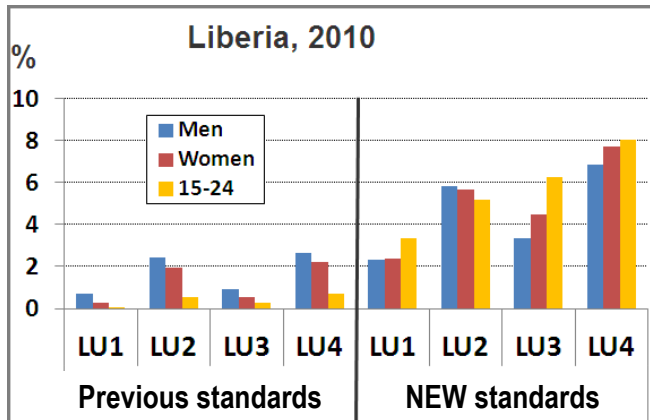
Impact and
LU
measures
particularly
relevant for
rural areas

Source: ILO calculations based on national data (2011)

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Impact of new standards: Unemployment & LU measures (pop. groups)



Impact and
LU
measures
particularly
relevant for
Women and
youth

Source: ILO calculations based on national data (2010)

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Resources and Contact

- 19th International Conference of labour statisticians

<http://www.ilo.org/19thicls>

- ICLS Resolutions and Guidelines

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

- STATISTICS contact

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