

Review of labour force statistics in Libya with a proposal for a national labour force survey

A. Current situation

Statistics on the current employment and unemployment conditions in Libya are scarce. The main sources of data are:

- Population Census, 1995.

The latest general population census of Libya was conducted from March to September 1995. The final results were published in July 1998. The household questionnaire contained six items on the economic characteristics of the population aged 15 years or more: labour force status (Question 16); main occupation (Q17); Name of establishment of place of work (Q18); Branch of economic activity (Q19); Status of employment (Q20); and Secondary job (Q30.1-5 Libyans only).

Employment is defined as all persons who were working in the week before interview. Members of the armed forces are considered as employed in the questionnaire, but excluded from the tabulated results.

Unemployment is defined as all persons not classified as employed who during the reference period desired to work and were seeking work, whether they had worked before or not.

Persons not in the labour force are defined as all remaining persons not considered as employed or unemployed. They are classified as housewives, students, inactives engaged in domestic work (written with feminine article in arabic), retired, disabled and others.

Information on the main occupation and branch of economic activity of each employed person and each unemployed person who worked before were collected and coded at the three-digit level of the International Standard Classification of Occupations (ISCO-68) and at the four-digit level of the International Standard Classification of All Economic Activities (ISIC Rev. 2).

The status of employment of the employed persons is determined and coded into eight categories: (1) Employee in government institution; (2) Employee in public partnership establishment; (3) Employee in national company; (4) Employee in foreign or mixed company; (5) Private employee; (6) Family worker; (7) Employer; (8) Own-account worker.

For Libyan employed persons further inquiry is made on secondary jobs, and information is collected on the secondary occupation, name of establishment of the secondary place of work and its branch of economic activity.

The population census definitions of employment and unemployment are broadly in line with the corresponding international statistical standards (adopted by the Thirteenth International Conference of Labour Statisticians, Geneva, October 1982). However, the definition of employment does not specify the statistical treatment of persons *absent from work* during the reference week, nor does it indicate the exact scope and boundary of the concept of *work* used for defining economic activity. Similarly, the definition of unemployment does not include a criterion on *current availability for work* nor does inquire on *active jobsearch*, in particular, the method used to seek work is not *ascertain*. The census questionnaire provides only one question to determine the labour force status of the respondent.

The occupation and industry classifications of the labour force are based on ISCO-68 and ISIC Rev.2, respectively. At the time of the census, however, the revised classification systems (ISCO-88 and ISIC Rev. 3) were in existence for some years. The questionnaire provides very narrow columns for coding the occupation at three digits and the branch of economic activity at four digits. This raises the likelihood of the occurrence of errors in transcription and data processing.

- Employment Survey of Establishments, 2001.

The Employment Survey of Establishments conducted in 2001 covered workers, Libyan and non-Libyan, in establishments listed on the basis of a door-to-door canvassing prior to data collection in 1999. In principle, the survey covered establishments of all sizes and all branches of economic activity excluding the armed forces. In practice, however, small establishments and household enterprises could not be covered fully. Also, casual and daily workers in covered establishments were not fully enumerated.

The 2001 survey questionnaire covered items on sex, age, marital status, educational attainment, occupation, branch of economic activity, status in employment, type of contract, length of work experience, sector of employment, net monthly salary or income from employment. Also inquired were the professional qualification and technical specialisation of workers with secondary or vocational school education or higher. For university graduates and above, data on the area of study were also collected.

Data on workers who were absent during the interview were obtained from their personal files. Workers in closed establishments, taxi and truck drivers, fishermen, and workers not related to any visible establishments as well as workers not covered in the list of establishments could not be covered by this survey although attempts were made to obtain some information about them from their trade associations.

Net monthly salary or income from employment includes basic monthly salary or income from employment plus allowances and overtime where applicable. Also included were income from employment earned from other sources like agriculture and animal husbandry. The information on income was collected on the basis two questions in the questionnaire, one on net monthly salary or income from employment and the other on earnings from other sources.

The exact time period to which the data on income from employment refer is not clear. Analysis of the data is also complicated by the fact that the survey did not obtain information on the corresponding hours of work. The international standards concerning statistics on hours of work and on employment-related income are laid down, respectively, in the resolutions of the Tenth and Sixteenth International Conferences of Labour Statisticians (ILO, Geneva, October 1962 and October 1998).

Another issue is the coverage of the survey. The 1999 list of establishments covered 159,486 establishments of which 82.4% were active. There were in total 1,079,241 workers, including 862,385 employees and 116,856 other workers (owners, partners, and unpaid family workers). This corresponds to an average size of about 8 persons engaged per active establishment. Comparing this figure with the number of workers reported in the 2001 survey (928,669) indicates an increase of employment of about 3.8 % per annum during the period from 1999 to 2001.

An estimated rate of undercoverage of the survey is thus about 17%. This figure has been calculated by taking the number of employees reported in Table 71 of the 1995 population census (896,458) adjusted to 1999 assuming an annual growth rate of 3.8% and comparing the result (1,039,483) with the reported number of employees in the 1999 list of establishments (862,385).

- Household consumption expenditures survey, 2002-2003.

The household consumption expenditure survey is conducted on a quarterly basis, the first quarter covered the three-month period from October to December 2002. The quarterly sample size was 2,784 households representing urban and rural households in all parts of Libya. The sample included 19,068 household members, 12,686 of whom were 15 years old and over.

The questionnaire includes six items on the economic characteristics of the individual similar to the 1995 census questionnaire. These are labour force status (Col 9), main occupation (Col 10), name of establishment of main place of work (Col 11), its branch of economic activity (Col 12), status in employment (Col 13) and secondary job (Col 14). In addition, data are collected on the health insurance coverage (Col 15), type of coverage (Col 16) and disability (Col 17).

To the extent that the questionnaire design on economic characteristics is similar to that of the population census, the 1995 population census data and the results of the 2002-2003 survey should be closely comparable.

The income data collected from the 2002-2003 Household Consumption Expenditures Survey are, however, more extensive than those collected in the 2001 Employment Establishments Survey.

The questionnaire contains a substantive section on income. It addresses all household members including those absent at the time of interview who had received income during the past 12 months. The first two parts concern income from employment: (1) annual wages and salaries; and (2) income from self-employment. Annual wages and salaries are divided into basic wages and salaries, income in-kind, other work-related income such as bonuses, profit sharing, travel allowances and overtime payments. The data on income from self-employment is collected by branch of economic activity, agriculture and animal husbandary, industry, building and construction, trade, and transportation, etc.

If income is reported on a weekly basis, the interviewer has instruction to multiply the results by 52 to obtain annual data. Similarly, if it is reported on a monthly basis, it should be multiplied by 12.

The income data are tabulated at the household level, and as averages. In order to assess the distribution of income from employment and to make comparisons with similar data obtained from the 2001 Employment Survey, it would be useful to consider the publication of additional tables showing the distribution of income from employment among individuals by appropriately selected income brackets.

- Employment offices records, six-monthly reports.

There are 33 employment offices in Libya. The Tripoli office has two branches and has registered 13'000 jobseekers during the last 6 months. To be maintained in the active register, a jobseeker should contact the employment office at least once every three months.

The total number of registered jobseekers in the last six months throughout Libya is reported to be 128'000. According to the calculation shown below, the figure corresponds to about 54% of total unemployment.

	<u>2002</u>	<u>Rate</u>
Population 15+	3'800'000	
Labour force	1'650'000	LFPR = 43.4 %
Unemployment	236'000	Unemp rate = 14.3 %
Registered jobseekers	128'000	Reg. jobseekers/Unemp = 54.2 %

This means that roughly half of the unemployed do not register with employment offices and search for work by other means such as direct contact with employers, friends or relatives, placing or responding to newspaper and other media job advertisements, etc. For example, many teachers apply directly to the Ministry of Education without

registering at any employment office. This ratio is nevertheless high in comparison with other countries in the region.

The number of job placements during the last months by the Tripoli Office was only 800, mostly women. It was argued that in Libya, women are increasingly getting education and they tend to perform better than men mainly because they have more time to devote to their studies than men many of whom have to combine work and study. Moreover, it was said that the employment offices concentrate relatively more efforts to place women in comparison with men because of the understanding that men can more easily find their own jobs or set up their own business.

There are many non-Libyans working in Libya without work permits or even residence permits. For example, many Egyptians are working freely in agricultural lands and many Africans in services in cities. At one point, there was a dictum that Libyan land is for all Arabs and later on extended to all Africans.

- Establishment registration.

Under article 21 of the 2001 law, the Ministry of Economy registers establishment that start or cease operations. During the first half of 2003, 127 private partnerships were registered covering about 1200 persons. In addition, some 96 other establishments operating under a different scheme have been registered under article 21 law. They concern some 8'600 persons. There were some 225 new enterprises registered during the first half of the year.

It was reported that as many as 1'000 establishments were closed during the six months period in 2003. One reason given for this high closing rate is the fact that in the past, prior to the enactment of article 21, creation of establishments was relatively easy and many started operation but could not keep on the activities following the economic down-turn.

B. Recommendations

- Procedures for data collection and data processing on labour force.

It is proposed that a labour force survey based a random sample of households be conducted in line with international standards. The purpose of the survey would be to collect detailed information on employment, unemployment and quality of employment in Libya, covering both Libyan and non-Libyan households. The survey would be targeted on key indicators including labour force participation rate, employment-population ratio, unemployment rate, youth unemployment, informal sector employment, hours of work, hourly pay, hazardous occupations, employer-employee representation at work, job security and pension.

The survey could be carried out either in 2004 using the enumeration areas of the 1995 population census or in 2006 using the results of the forthcoming 2005 population

census. According to the present plan, the Directorate-General of Statistics and Census envisages to undertake a general census in 2005 consisting of censuses of the population, of housing units and of establishments. It will also develop an agricultural frame for the Agriculture census planned in 2006.

ILO technical assistance may be required to design the sampling scheme and to draft the questionnaire and later to evaluate and analyse the results. The sample size should be sufficiently large to provide accurate estimates of the main labour force components at the national and governorate levels. The sample size requirement should also take into account the potential non-response and the clustering effect of the area sampling frame constructed on the basis of the latest population census.

The questionnaire should be designed in line with modern techniques elucidating the necessary responses for classifying each individual into employment, unemployment and economic activity according international statistical standards. Single question for labour force status classification should be avoided. The following minimum list of items may be considered for drafting the questionnaire:

1. Any work for pay, profit or family gain, even for one hour during the reference period (last seven days or past calendar week)
2. Whether temporary absent from work during the reference week
3. Reason for absence
4. Usual hours of work per week at all jobs
5. Actual hours worked during the reference week at main and secondary jobs
6. Reason for difference between usual and actual hours of work
7. Reason for working more than 48 hours
8. Occupation at main job (occupational title and main tasks and duties)
9. Branch of economic activity at main job (name of establishment and main goods and services produced)
10. Status in employment at main job
(for employees)
11. Periodicity of receipt of pay
12. Amount of last payment (income from employment)
13. Whether annual paid leave or financial compensation
14. Whether paid sick leave in case of certified illness
15. Whether employer's contribution to social security
(for self-employed)
16. Income from employment last month
17. Registration of enterprise
18. Number of hired labour
(for persons not at work nor absence from work during reference week)
19. Current availability for work
20. Reason for non-availability for work
21. Steps taken to seek work during the past four weeks
22. Reason for not seeking work
23. Past work experience (full-time job for at least 15 consecutive days)

(for persons with past work experience)

24. Last occupation
25. Last branch of economic activity
26. Last status in employment
27. Receipt of pension

Guidelines on how to prepare a labour force questionnaire in line with the international standard definitions of labour force, employment and unemployment are given in *Surveys of the economically active population, employment, unemployment and underemployment: An ILO manual on concepts and methods*. Copies of the publication, in English and in Arabic, were transmitted to Mr. Aboasha during the mission.

Guidelines for constructing relevant labour force indicators are suggested in *Measuring decent work through statistical indicators*, Statistical Development and Analysis, Policy Integration Department, Working Paper No. 2, ILO, Geneva, 2002. Of particular relevance here are the decent work indicators on low hourly pay, excessive hours of work and informal employment.

Short methodological descriptions of national labour force surveys carried out in recent years can be obtained at <http://laborsta.ilo.org/applv8/data/ssm3/e/ssm3.html>.

The ILO has also established a link to website of national labour force surveys. It can be reached through <http://www.ilo.org/lib/howto/lfs.htm>.

- Feasibility of annual updating of data on government employees.

[As mentioned earlier, this item could not be covered during the time allocated for the mission.]

- Development of statistics on training for labour force.

It is proposed to conduct a youth survey to collect data on the school to work transition among the young Libyan population (15-24 years old) as well as on the hiring practices of establishments in Libya.

The ILO has developed special questionnaires for this purpose which could be used as examples. The ILO *school-to-work transition survey* covers data on education level, technical and vocational training history, life goals and values, attitudes and expectations regarding work, current employment situation. In addition, the survey includes specific set of questions on different categories of the youth population: in-school youth; unemployed job-seekers; young employees; young self-employed; and other young people not currently in the labour force.

The ILO youth survey is accompanied by a separate inquiry on employers and managers in the private sector regarding their hiring practices and employment of young

persons. The establishment survey also covers the enterprise schemes for the education and training of their workers.

Specimen of the ILO questionnaires prepared for the Bahrain school-to-work transition survey is attached to this report.

- Analysis of labour force data obtained from the household consumption survey.

Although the household consumption survey conducted in 2002-2003 was not designed to measure the employment characteristics of the population, its results provide data on the labour force and employment-unemployment situation in Libya seven or eight years after the 1995 census. Table 1 below indicates the main data that can be obtained from the survey regarding the employment and unemployment or comparison with the 1995 census results. Two extensive footnotes describe the sources of the data and the methodology used for calculating the various percentages and ratios.

The results show an increasing labour force participation rate between 1995 and 2002-2003. This increase is particularly noticeable among women. A large part of the increase may be attributed to the growing rate of unemployment among women in Libya.

It would be useful if additional tables would be prepared on the basis of the results of the household consumption survey to shed light on the employment and unemployment situation among different age categories, particularly among the youth population, 15-24 years old. This would be helpful to analyse the evolution of youth unemployment since 1995.

The 1995 data show that youth unemployment rate is more than twice the general unemployment rate in Libya, a high ratio by international standards as the following indicates. The youth unemployment rate is three times as high as the national unemployment rate in Libya, surpassed only by Saudi Arabia where the youth unemployment rate is four times higher than the national unemployment rate.

Country	Unemployment rate		Youth-to-National ratio
	National	Youth	
Palestinian T. (Q4/2000)	28.30%	39.50%	1.4
Oman (1996)	17.20%	37.50%	2.2
Jordan (Feb 2001)	15.70%	31.00%	2.0
Libya (1995)	11.70%	35.40%	3.0
Qatar (2001)	11.70%	28.50%	2.4
Yemen (1999)	11.50%	18.70%	1.6
Turkey (2001)	8.50%	16.70%	2.0
Saudi Arabia (1999)	8.10%	32.00%	4.0
EU (2001)	7.30%	14.00%	1.9
Australia (2001)	6.70%	13.50%	2.0
USA (2001)	4.80%	10.60%	2.2

Source: National Labour force surveys.

Note: Youth defined as 15-24 years old persons.

Another area where the household consumption survey could provide valuable labour market information is on the distribution of earnings. The low pay rate among employees calculated in table 1 below is based on data from the 2001 establishment survey. It would be valuable to compare these figures with corresponding data from the household consumption survey.

Table 1. Some basic data on the labour market in Libya *

	1995	2002-2003
Libyan population (15+)	<u>2,675,000</u>	-
• Labour force participation rate ¹	38.3 %	43.4 %
• Employment-population ratio ²	33.9 %	37.1 %
• Unemployment rate ³	11.7 %	14.3 %
• Youth unemployment rate ⁴	35.4 %	-
• Multiple jobholding ⁵	6.3 %	-
• Low pay rate ⁶	-	11.9 % (2001)
Libyan male population (15+)	<u>1,361,000</u>	-
• Male labour force participation rate ¹	61.3 %	64.8 %
• Male employment-population ratio ²	53.9 %	55.9 %
• Male unemployment rate ³	12.2 %	13.7 %
• Male youth unemployment rate ⁴	36.6 %	-
• Male multiple jobholding ⁵	7.6 %	-
• Male low pay rate differential ⁷	-	-11.3 % (2001)
Libyan female population (15+)	<u>1,315,000</u>	-
• Female labour force participation rate ¹	14.5 %	21.7 %
• Female employment-population ratio ²	13.2 %	18.2 %
• Female unemployment rate ³	9.4 %	16.2 %
• Female youth unemployment rate ⁴	31.1 %	-
• Female multiple jobholding ⁵	0.6 %	-
• Female low pay rate differential ⁷	-	+11.3 % (2001)
Non-Libyan population (15+)	<u>311,000</u>	-
• Non-Libyan share of total employment ⁸	18.5 %	13.2 % (2001)
• Non-Libyan unemployment rate ⁴	4.6 %	-
• Non-Libyan youth unemployment rate ⁶	8.6 %	-
• Non-Libyan low pay rate differential ⁷	-	- 1.7 % (2001)

Sources: National Corporation for Documentation and Information. Population census, 1995; Household consumption expenditures survey, 2002-2003, first-quarter results, unweighted raw data; Employment Establishments Survey, 2001.

Notes: *See body of text for a brief analysis of the data and an assessment of their comparability and adherence to the corresponding international statistical standards. ¹Labour force participation rate is equal to the labour force (or equivalently, the sum of the employed and unemployed) as a percentage of population 15 years old and over. ²Employment-population ratio is equal to the total number of

employed persons as a percentage of the population 15 years old and over. ³Unemployment rate is equal to the total number of unemployed as a percentage of the total labour force. ⁴Youth unemployment rate is equal to the number of unemployed persons 15 to 24 years old as a percentage of the labour force in the same age category. ⁵Multiple jobholding is the number persons with secondary jobs as a percentage of the total number of employed persons. ⁶Low pay rate is equal to the number of employees in covered establishments earnings less than half of the median earnings per month (about 100 Libyan Dinars in 2001) as a percentage of the total number of employees in the covered establishments. ⁷Male low pay rate differential refers to the difference between the percentage of male employees among all low pay employees and the overall percentage of male employees. Similarly, female low pay rate differential refers to the difference between the percentage of female employees among all low pay employees and the overall percentage of female employees. The non-Libyan low pay rate differential should be interpreted in a similar manner. ⁸ Non-Libyan share of total employment is equal to the number of non-Libyan employed persons as a percentage of total employment, Libyan and non-Libyan.