

Millennium Development Goals Employment Indicators



Addis Ababa
July 2009



Theo Sparreboom
Employment Trends
International Labour Organization
Geneva, Switzerland



MDG Employment Indicators Overview



Background

Employment Indicators

Monitoring labour markets



MDG Employment Indicators Background



Following the 2005 World Summit, and the work of the Commission for Social Development as well as the Inter-Agency and Expert Group on MDG indicators, a new target has been included under MDG1 (Target 1b).

New MDG 1 Target 1b:

*Achieve full and productive employment and decent work for all,
including for women and young people*



MDG Employment Indicators Background



Decent Work

Employment Creation and Enterprise Development

Social Protection

Standards and Fundamental Principles and Rights

Social Dialogue



MDG Employment Indicators



MDG1 Eradicate extreme poverty and hunger, Target B ('decent work')

- ✓ Employment-to-population ratios for persons aged 15+ and youth (15-24) by sex
- ✓ Vulnerable employment rate by sex
- ✓ Working poverty rate
- ✓ Labour productivity growth rate



MDG3 Promote gender equality and empower women

- ✓ Share of women in wage employment in the non-agricultural sector



MDG1B indicators

Employment-to-population ratio



- ✓ Employment-to-population ratios for persons aged 15+ and youth (15-24) by sex
- ✓ The EPR measures the proportion of a country's working age population that is employed
- ✓ $EPR = \text{Total employment} / \text{working age population} * 100\%$
- ✓ Typically between 50-75 per cent

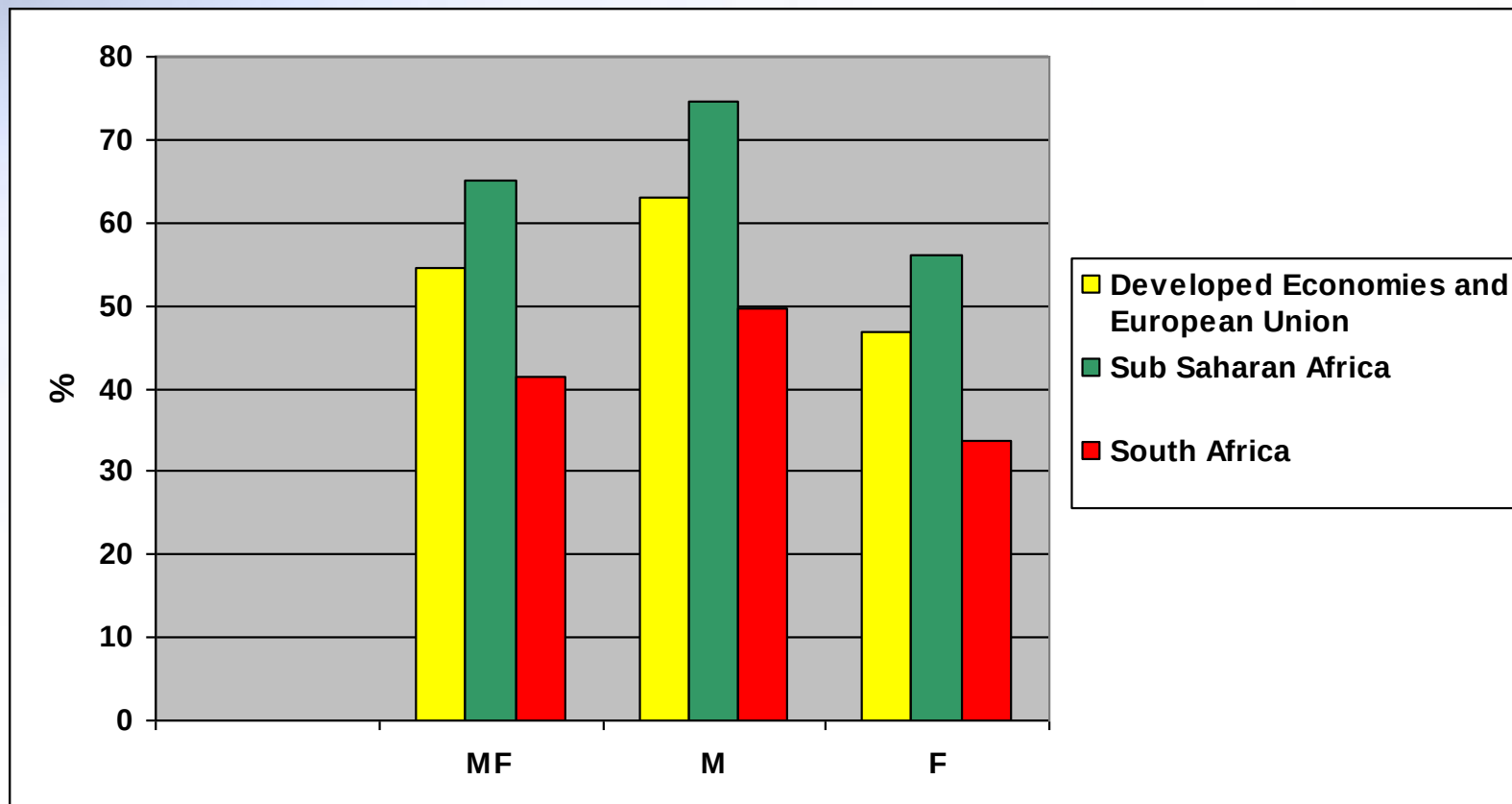


MDG1B indicators

Employment-to-population ratio



Employment-to-population ratio in 2007, by sex



Source: ILO, Trends Econometric Models, May 2009; and Stats SA, LFS, 2007



MDG1B indicators

Employment-to-population ratio



<i>2007, population 15+ %</i>	South Africa	Sub-Saharan Africa	Developed economies
Employment- to-population rate	41.3	65.2	54.5
Labour force participation rate	53.4	70.7	57.8
Unemployment rate	22.6	7.7	5.7

Source: ILO, Trends Econometric Models, May 2009; and Stats SA, LFS, 2007



MDG1B indicators

Employment-to-population ratio



<i>2007, pop. 15-24 %</i>	South Africa	Sub-Saharan Africa	Developed economies
Employment- to-population rate	15.9	50.1	44.4
Labour force participation rate	30.0	56.5	50.6
Unemployment rate	46.9	11.4	12.2

Source: ILO, Trends Econometric Models, May 2009; and Stats SA, LFS, 2007



MDG1B indicators

Vulnerable employment rate



- ✓ Vulnerable employment rate for persons aged 15+ by sex
- ✓ The vulnerable employment rate is a measure of the more vulnerable statuses of employment, namely own account workers and contributing family workers
- ✓ $\text{Vulnerable employment rate} = (\text{number of own-account workers} + \text{number of contributing family workers}) / \text{total employment} * 100\%$
- ✓ The rate is typically related to level of GDP per capita

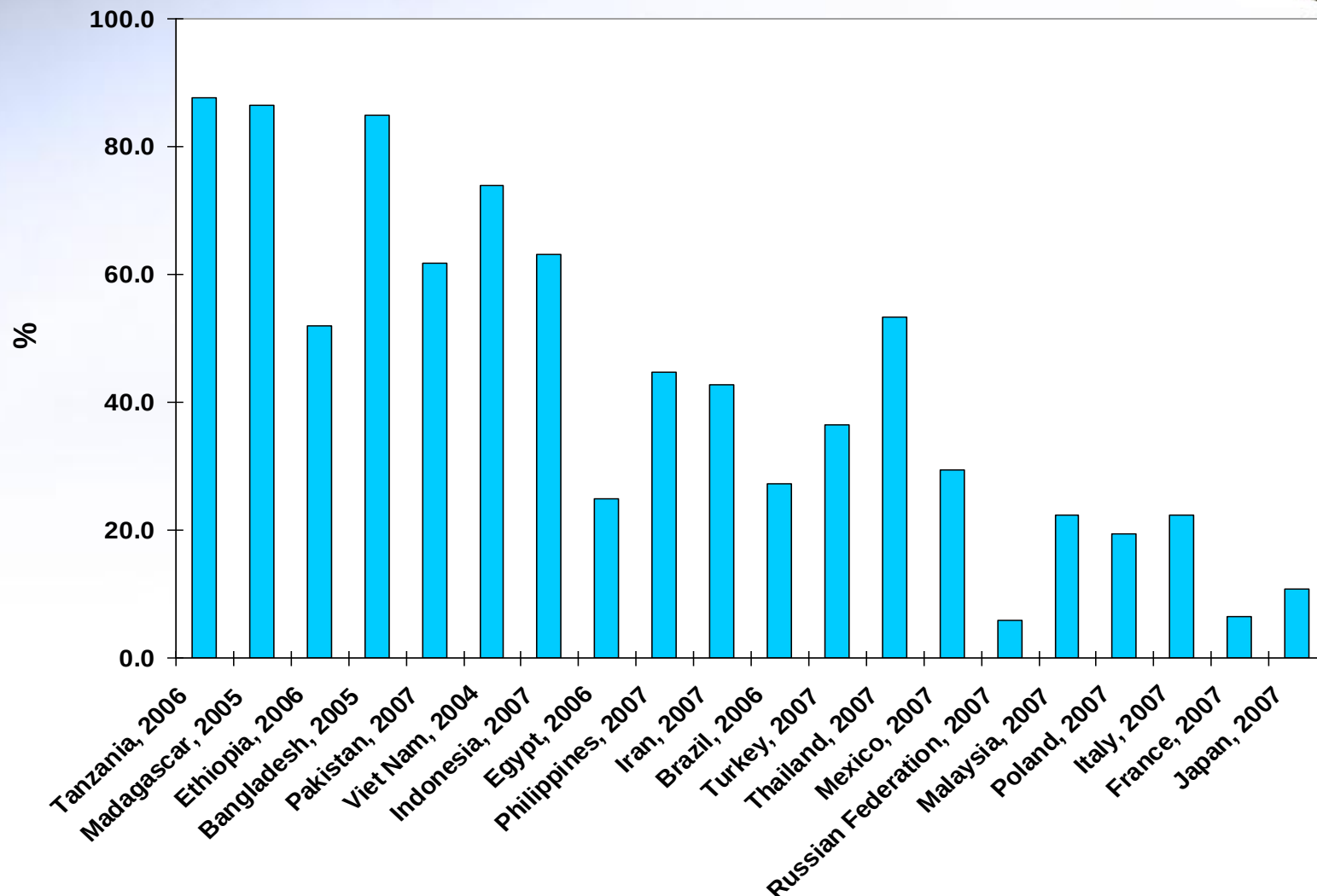


MDG1B indicators

Vulnerable employment rate



Vulnerable employment rate (countries ranked by level of GDP/capita)

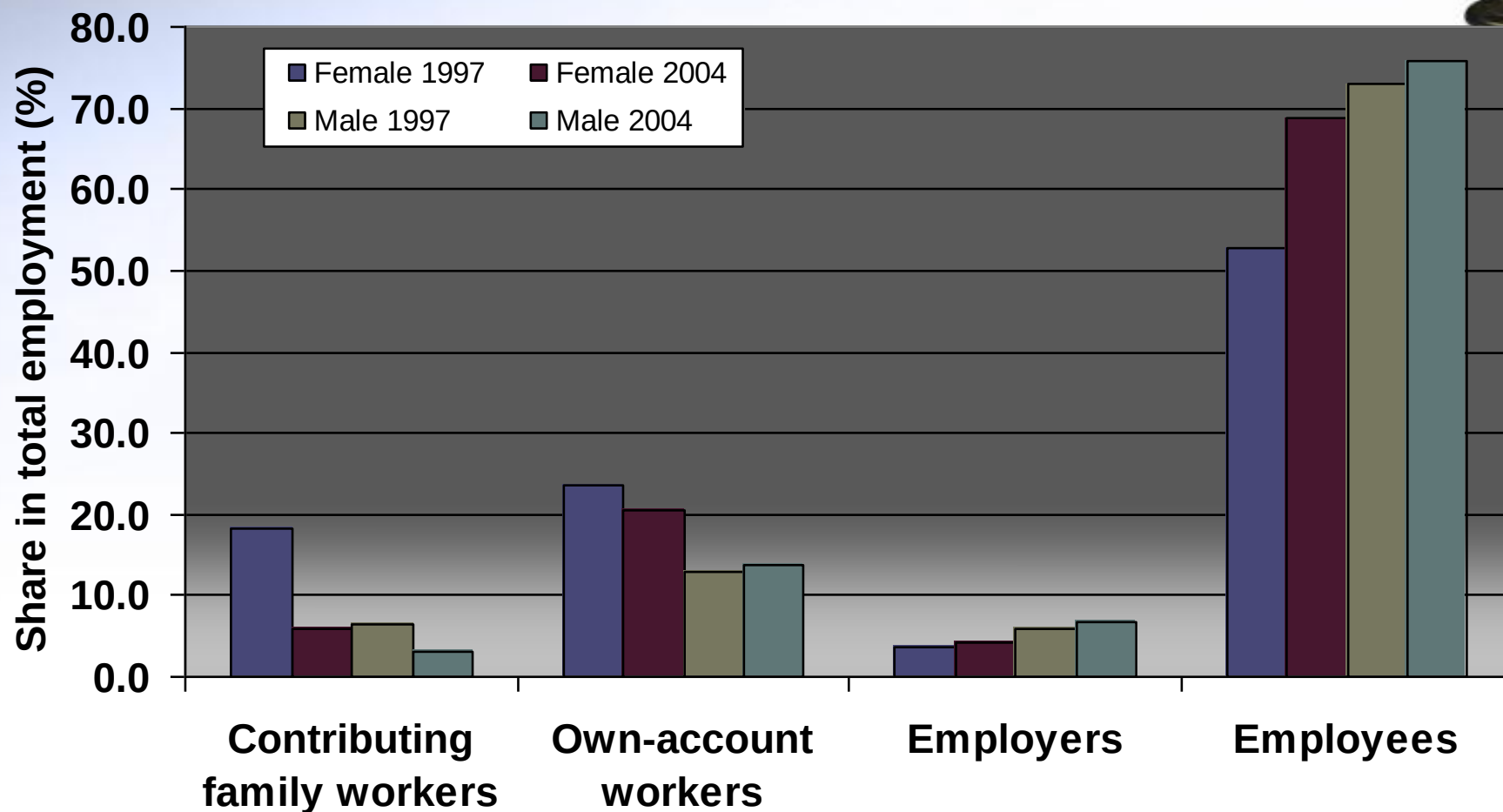


MDG1B indicators

Vulnerable employment rate



Namibia, status in employment 1997 and 2004



Source: Namibia LFS, Ministry of Labour and Social Welfare, 1997 and 2004

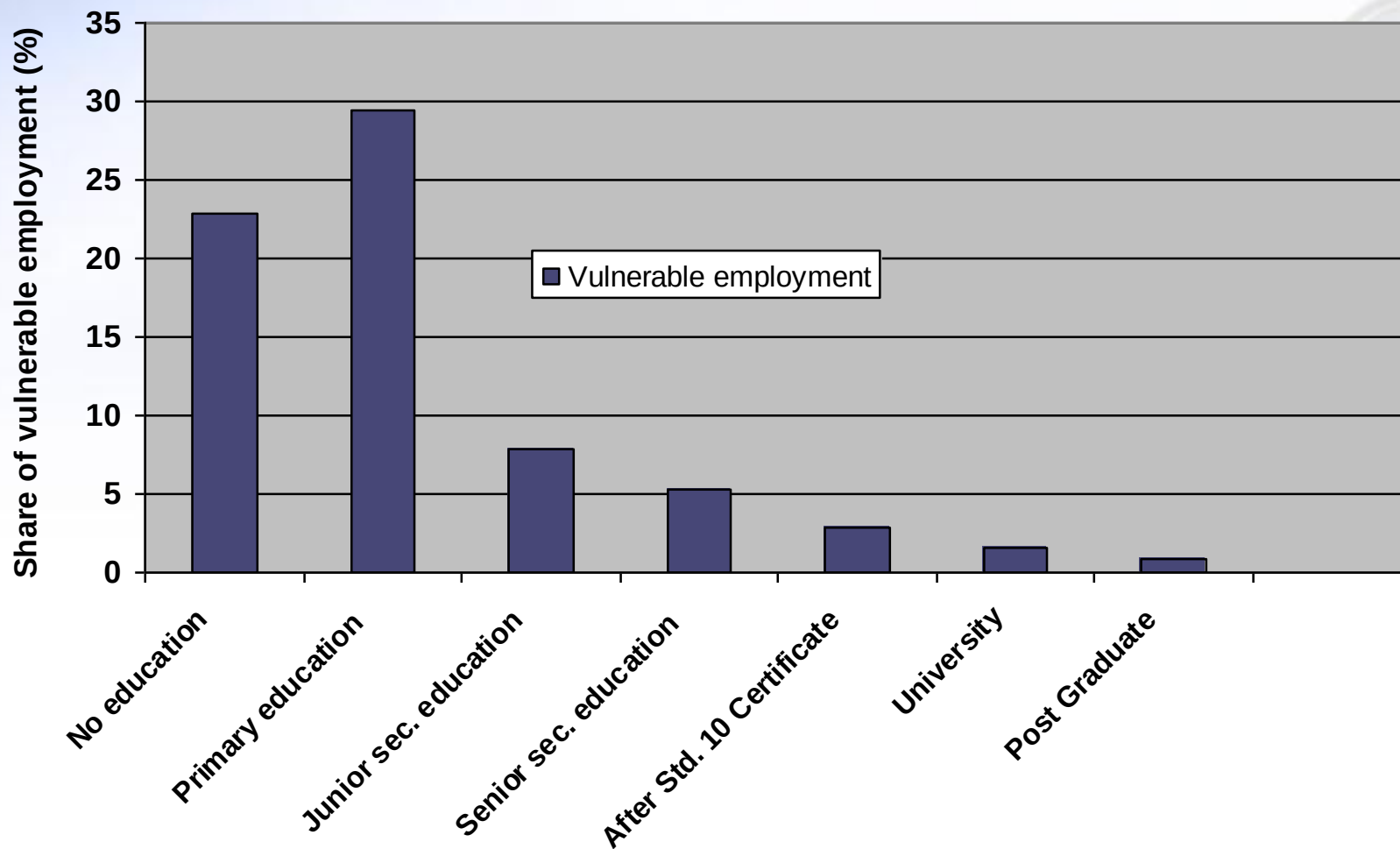


MDG1B indicators

Vulnerable employment rate



Namibia, vulnerable employment rate
by level of educational attainment, 2004

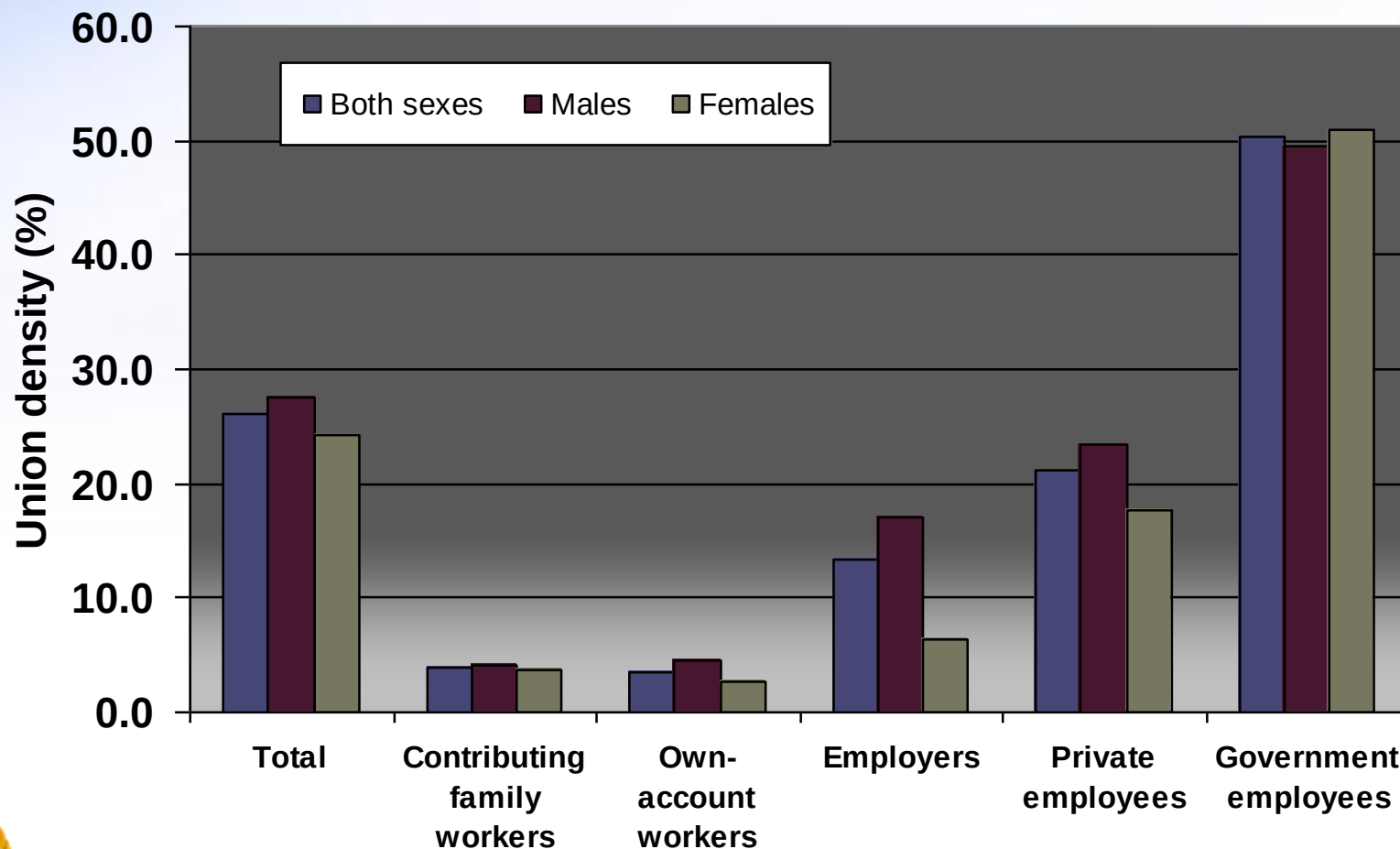


MDG1B indicators

Vulnerable employment rate



Namibia, vulnerable employment and union density, 2004

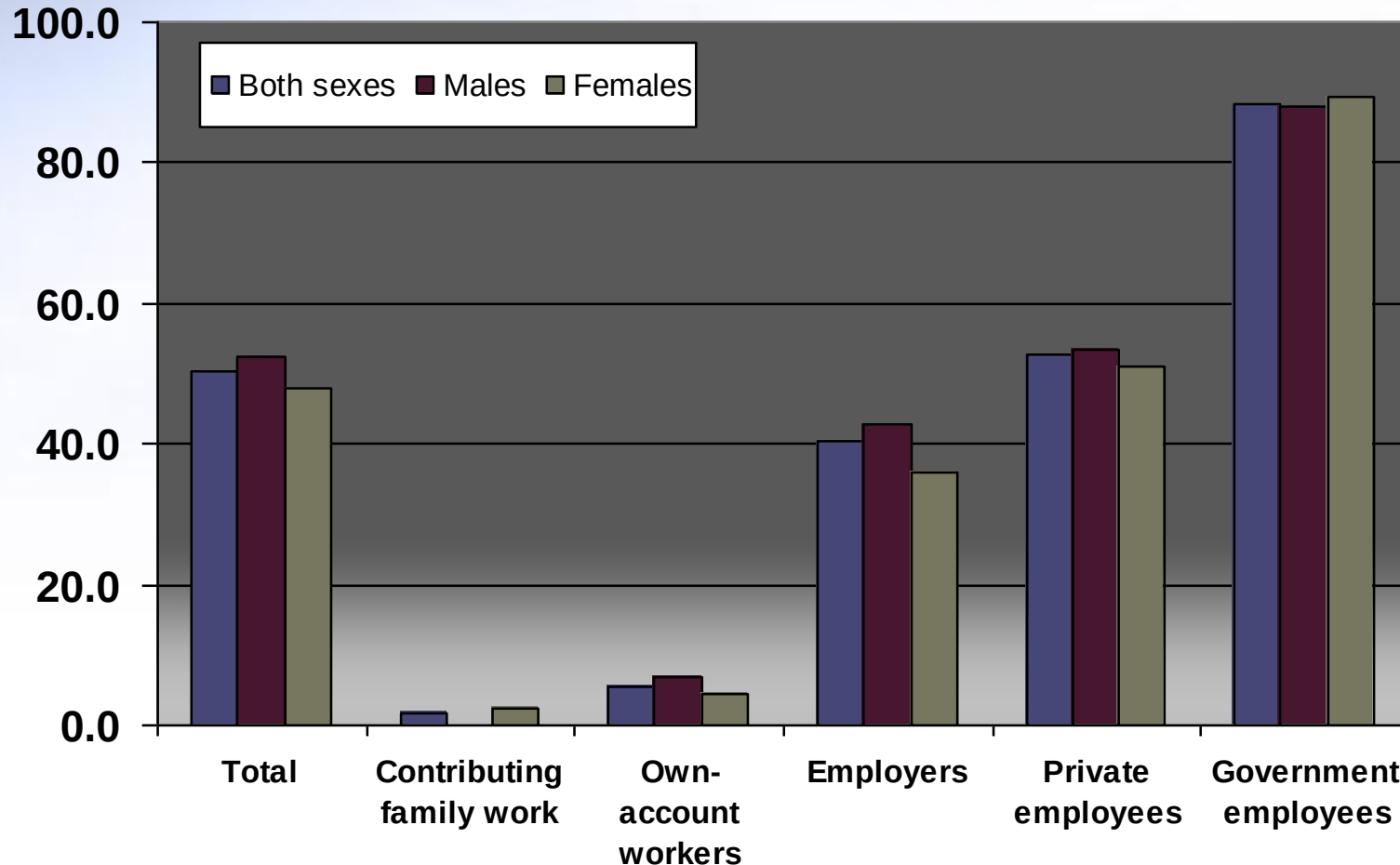


MDG1B indicators

Vulnerable employment rate

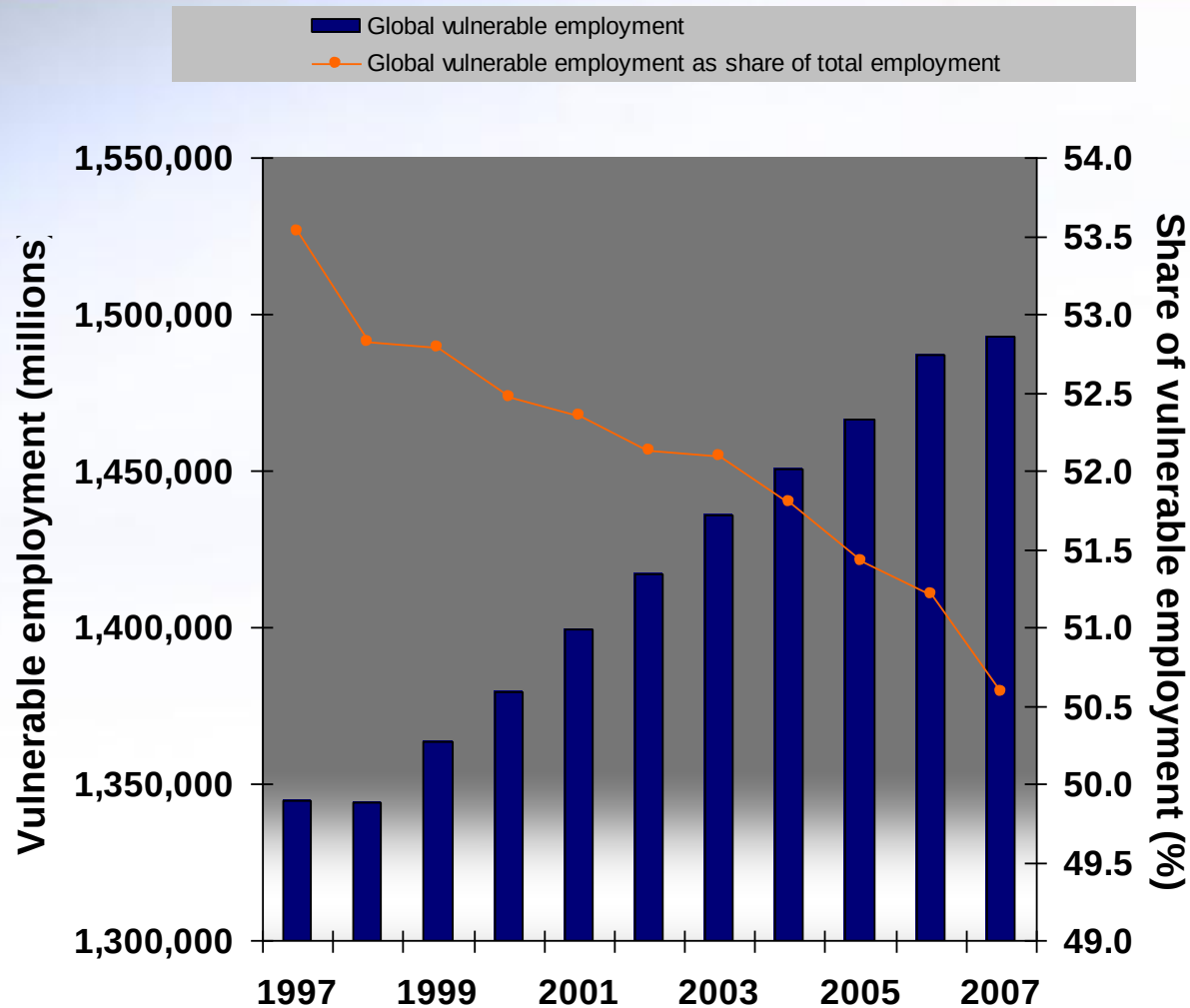


Namibia, vulnerable employment and social security, 2004



MDG1B indicators

Vulnerable employment rate



Source: ILO, Trends Econometric Models, February 2009



MDG1B indicators

Working poverty rate



- ✓ Working poverty rate for persons aged 15+
- ✓ The working poor are defined as employed persons living in a household whose members are estimated to be below the nationally-defined poverty line
- ✓ Working poor = poverty rate * labour force (**)
- ✓ Working poverty rate = working poor / total employment * 100%

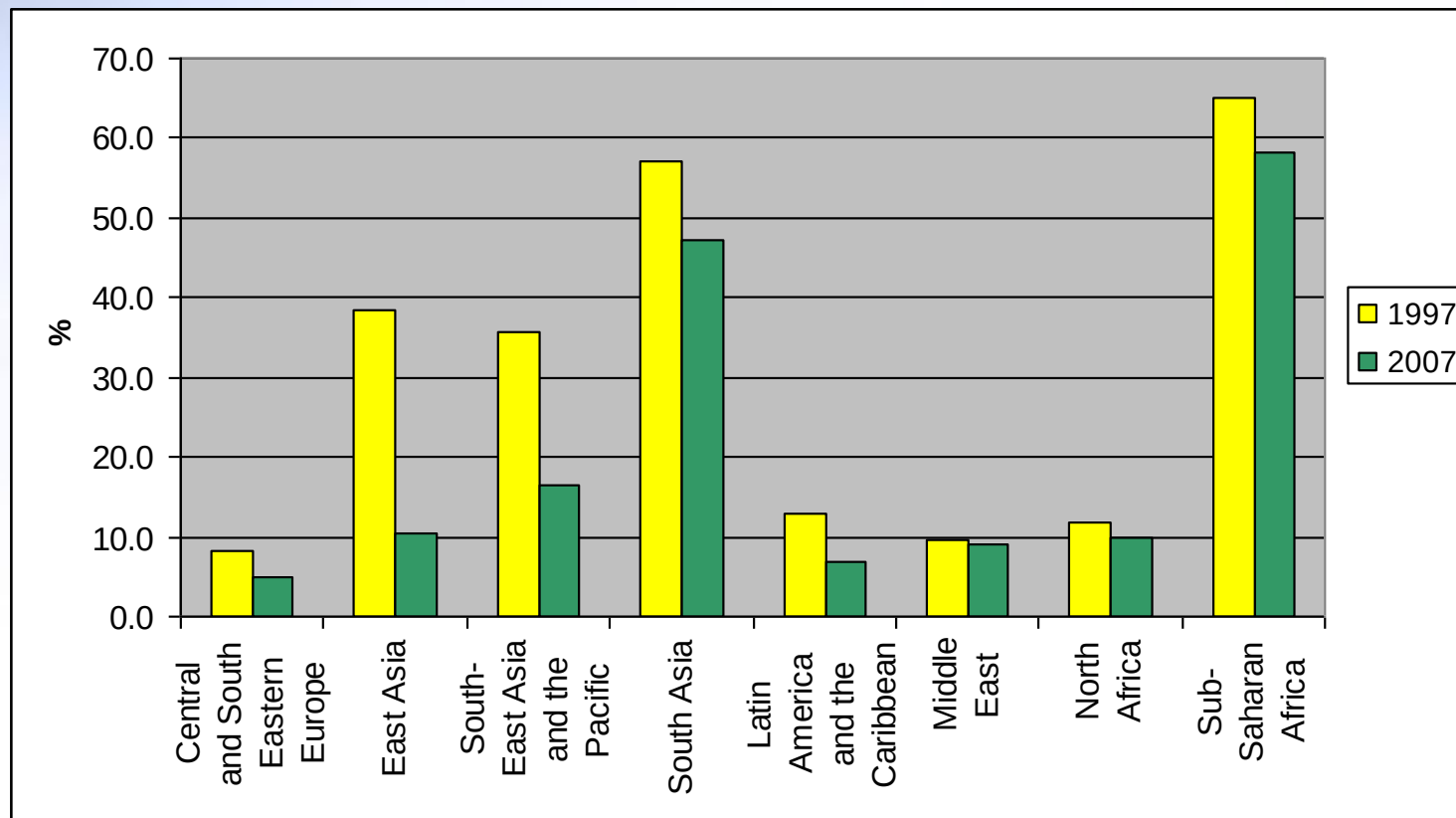


MDG1B indicators

Working poverty rate



Working poverty US\$ 1.25, by region, 1997 and 2007



Source: ILO, Trends Econometric Models, October 2008



MDG1B indicators

Growth rate of labour productivity

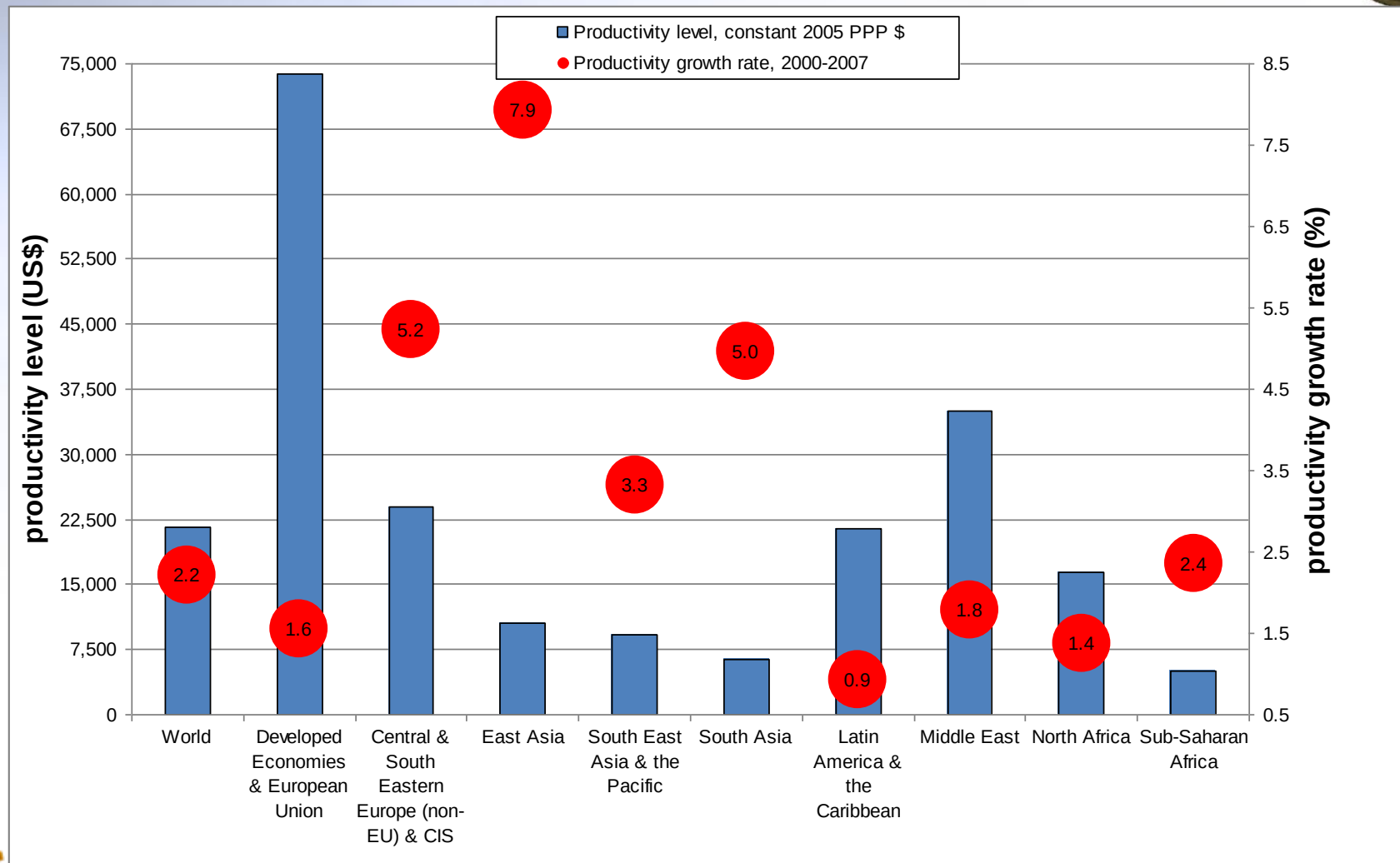


- ✓ Labour productivity represents the amount of output achieved per unit of labour input
- ✓ Labour productivity = GDP [measured at constant market prices in national currency]/ total employment
- ✓ Labour productivity growth rate is measured as the annual change in GDP per person employed
- ✓ Labour productivity growth rate = $\frac{\text{labour productivity [year T]} - \text{labour productivity [year T-1]}}{\text{labour productivity [year T-1]}} \times 100\%$



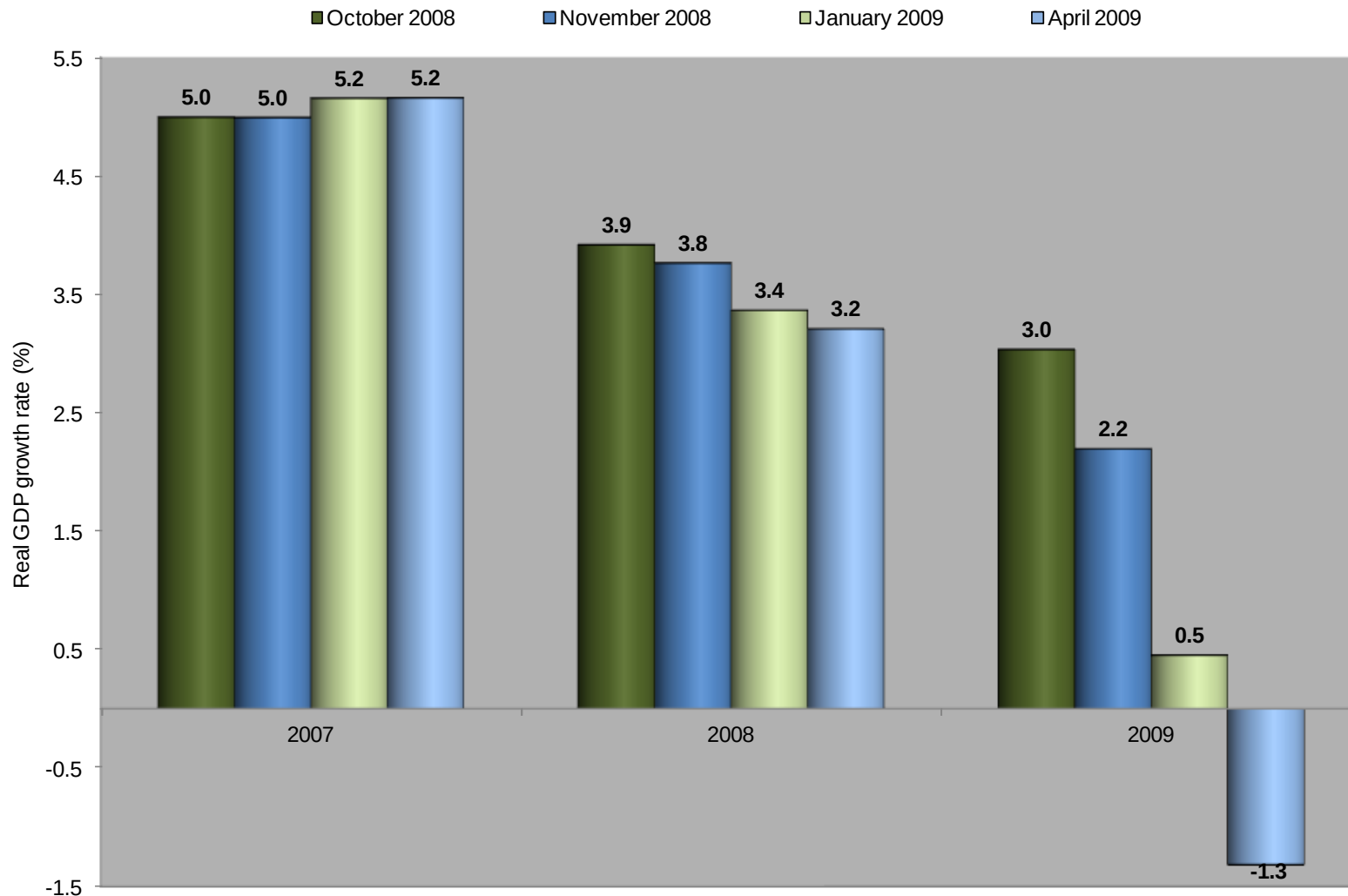
MDG1B indicators

Growth rate of labour productivity



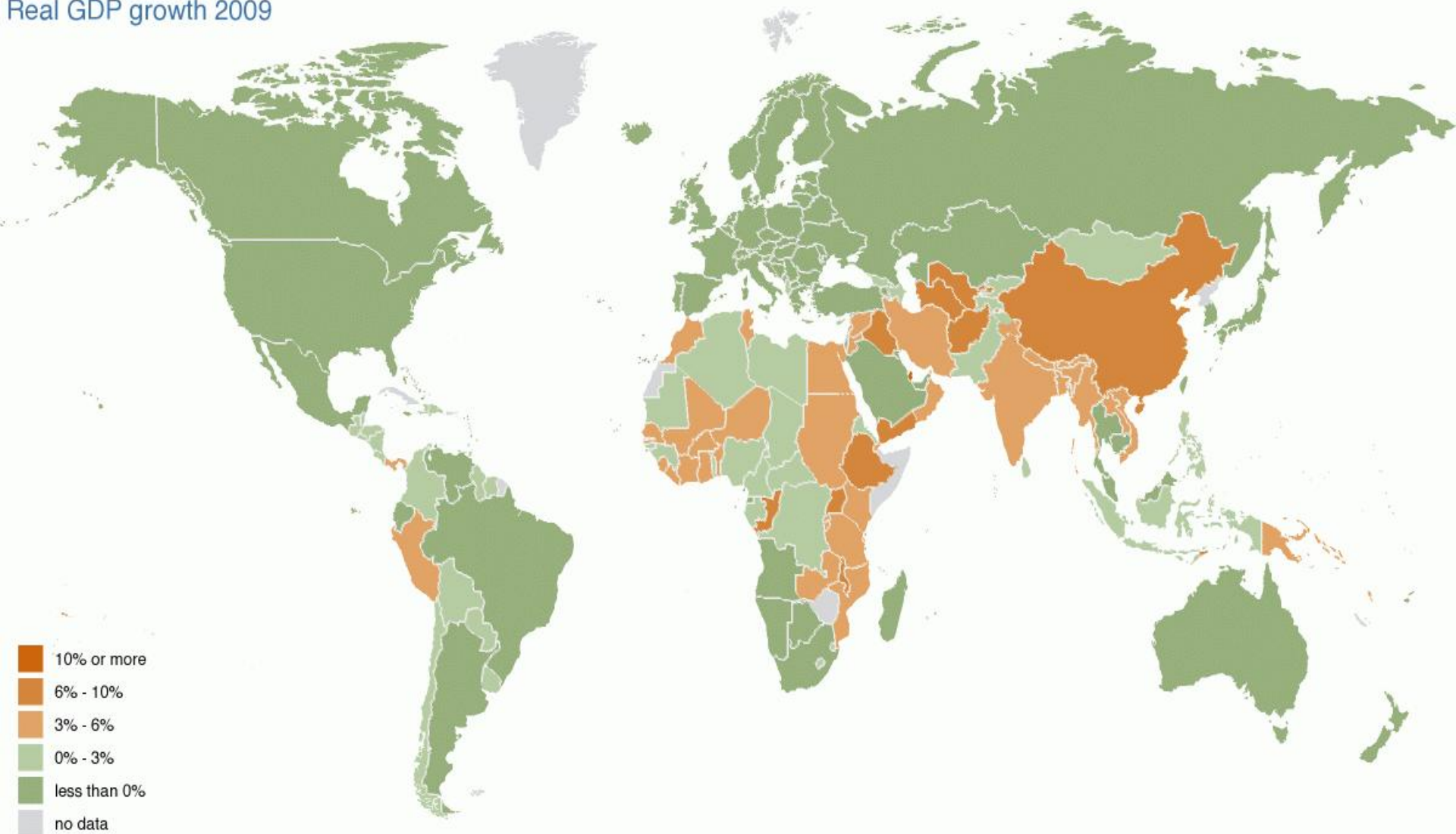
Monitoring labour markets

Global economic forecasts (IMF)



IMF Data Mapper

Real GDP growth 2009



Annual percent change

Copyright: ©IMF, 2009 Source: World Economic Outlook (April 2009) (World Economic Outlook - April 2009)



Monitoring labour markets

LM impact of the global economic crisis



- Increased unemployment/ underemployment
- Increase in vulnerable employment
- Declining wages and earnings
- Declining working conditions/erosion of labour standards/labour rights
- Labour supply adjustments
 - Relocation/ migration
 - Withdrawal from the labour force
 - Longer working hours to compensate for falling returns to labour
 - Increase in child labour

**Different impact on different groups (women, youth, migrant workers, etc.)*

**Impact depends on pre-crisis situation (domestic financial vulnerability and exposure, global integration of financial institutions, labour market institutions, social protection, etc.), on policy responses and labour market flexibility/rigidities etc.*



Monitoring global labour markets

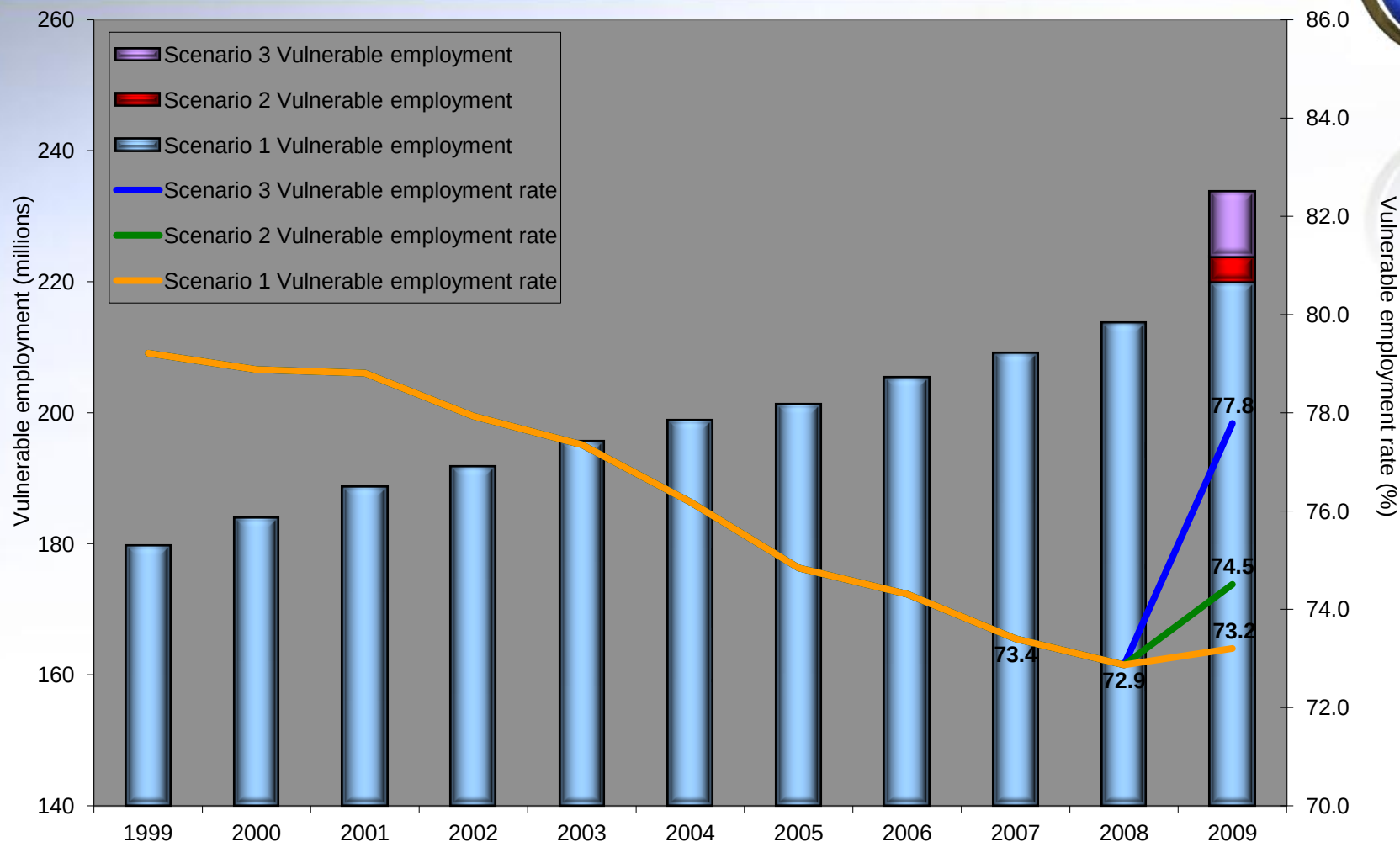


Global Economic Crisis: Employment and Labour Market Impact



Monitoring labour markets - SSA

Vulnerable employment – three scenarios



See Global Employment Trends, May 2009 update, Tables B4 and B5, p. 29 and 30

Employment Trends

www.ilo.org/trends

Monitoring labour markets - SSA

Vulnerable employment – three scenarios



- **Scenario 1**

Based on the long-term relationship between GDP growth and vulnerable employment at the country level since 1991, together with 2009 IMF GDP growth projections.

- **Scenario 2**

Based on the largest drop in GDP ('crisis') observed in each country since 1991 and its impact on vulnerable employment, together with 2009 IMF GDP growth projections.

- **Scenario 3**

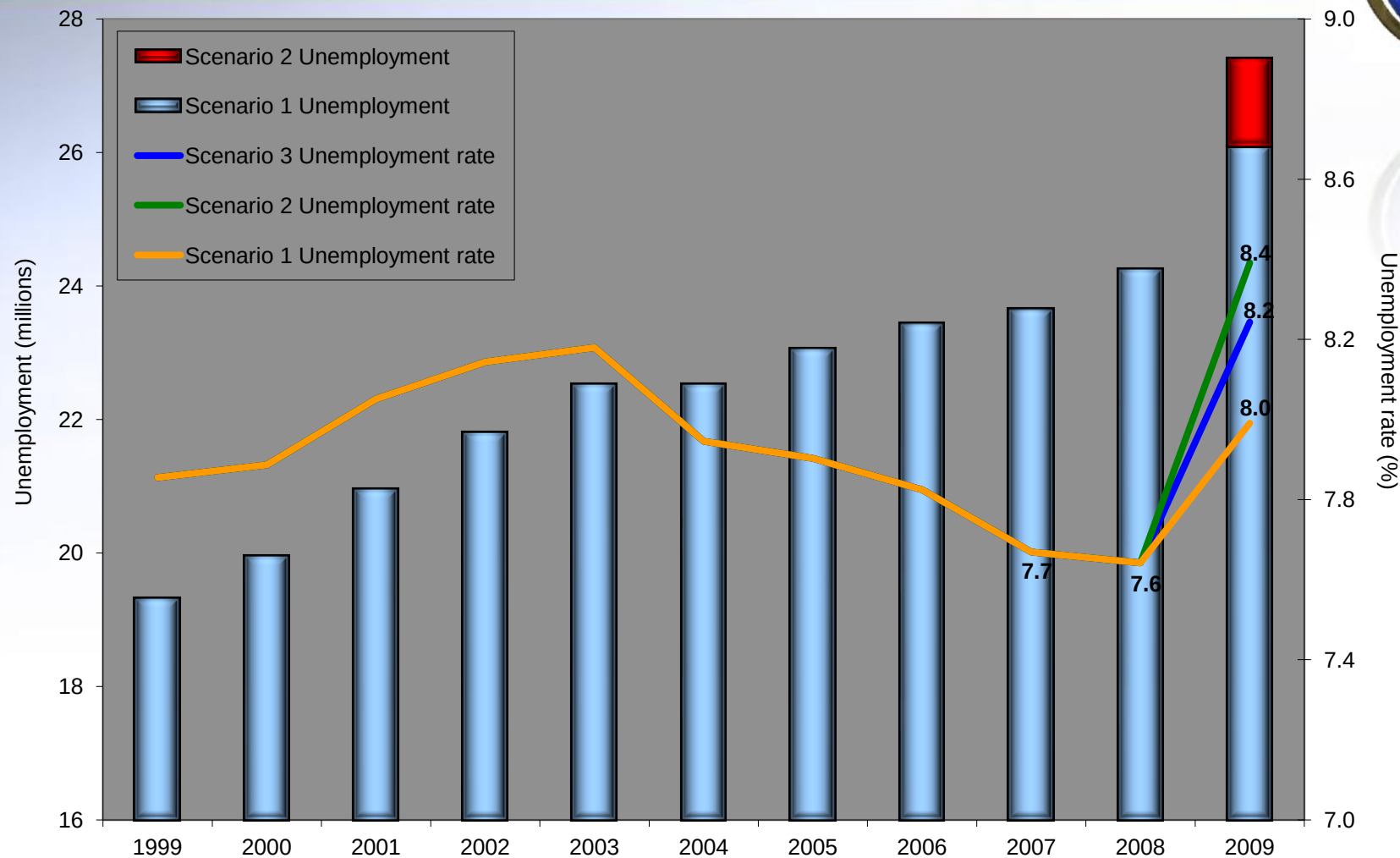
Based on the largest percentage point increase in the vulnerable employment rate observed in each country in any one year since 1991. This scenario is not affected by revisions in GDP growth rates.

See Global Employment Trends, May 2009 update, p. 13



Monitoring labour markets - SSA

Unemployment – three scenarios



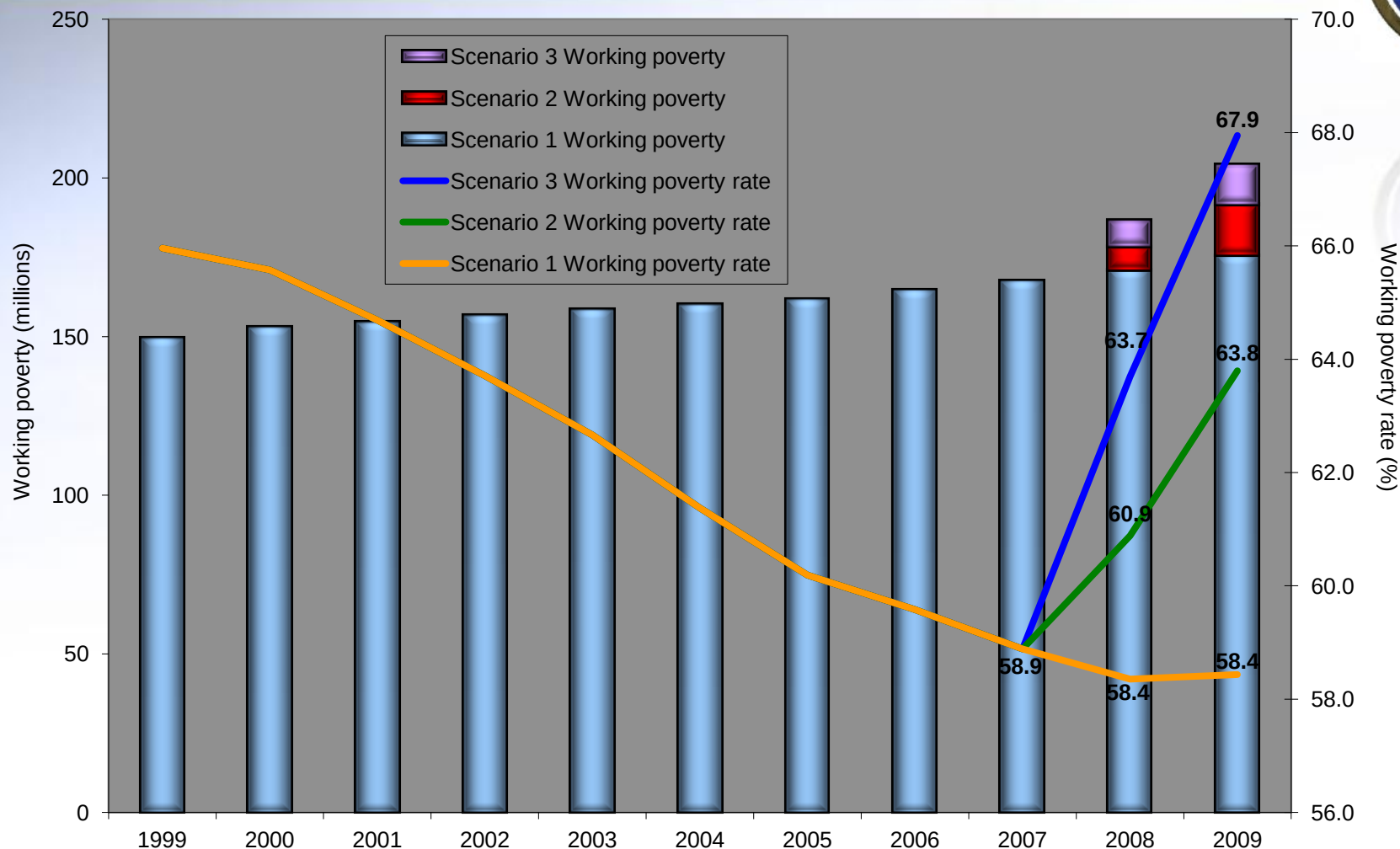
See Global Employment Trends, May 2009 update, Tables B1 and B2, p. 26 and 27

Employment Trends

www.ilo.org/trends

Monitoring labour markets - SSA

Working poverty – three scenarios



See Global Employment Trends, May 2009 update, Tables B6 and B7, p. 31 and 32

Employment Trends

www.ilo.org/trends