Assessing progress towards decent work at the national level

Guidelines
ASSESSING PROGRESS TOWARDS DECENT WORK AT THE NATIONAL LEVEL

GUIDELINES

International Labour Office
Foreword

Decent work is central to efforts to reduce poverty and is a means for achieving equitable, inclusive and sustainable development. It involves opportunities for work that is productive and delivers a fair income, provides security in the workplace and social protection for workers and their families, and gives people the freedom to express their concerns and to organize and participate in decisions that affect their lives.

Monitoring and assessing progress towards decent work at the country level is an important concern for the ILO and its constituents. The 2008 Declaration on Social Justice for a Fair Globalization specifies that member States may consider “the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate the progress made” (Paragraph II.B.ii.). In September 2008, the ILO convened an international Tripartite Meeting of Experts on the Measurement of Decent Work and subsequently adopted a framework for developing Decent Work Indicators that was presented to the 18th International Conference of Labour Statisticians in December 2008. The Governing Body endorsed the proposal to test the framework in a number of pilot countries, by developing Decent Work Country Profiles.

The “Monitoring and Assessing Progress on Decent Work” (MAP) project, funded by the European Union and implemented by the ILO from 2009 to 2013, worked with government agencies and employers’ and workers’ organizations to strengthen their capacity to monitor and assess progress towards decent work in their own countries. The MAP project has supported nine countries (Bangladesh, Brazil, Cambodia, Indonesia, Niger, Peru, Philippines, Ukraine, Zambia) in collecting data and identifying and compiling decent work indicators. The compiled indicators formed the basis of national assessments on progress made towards decent work in the form of Decent Work Country Profiles – a comprehensive analysis on decent work that can be used to inform policy-making on decent work. The project has also provided guidelines and tools for measuring, monitoring and reporting on decent work.

These Guidelines are intended to serve as an important tool for ILO technical assistance to countries in preparing their national assessments on decent work (Decent Work Country Profiles) and in analysing decent work indicators through an integrated approach. They begin by presenting general issues concerning the analysis of decent work indicators and the preparation of the Country Profiles. They go on to provide extensive guidance on analysing decent work indicators for each substantive element of the four pillars of the Decent Work Agenda, as set out in the ILO framework for the measurement of decent work.

The Guidelines are designed to be a useful pragmatic tool for national assessments of decent work, providing tips and suggestions for analysing both statistical and legal decent work indicators all together, within national contexts. They complement the ILO Manual Decent work indicators (2013), which focuses on concepts and definitions, method of computation, data sources and metadata, and interpretation guidelines for each indicator. As the discussion and use of Decent Work Indicators evolve, these Guidelines might be further updated, taking on board the feedback received and new conclusions adopted on the measurement of decent work.
Acknowledgements

These guidelines on Assessing progress towards decent work at the national level have been prepared with technical and financial assistance from the European Union under the ILO/EC project on Monitoring and Assessing Progress on Decent Work (MAP), implemented by the ILO Policy Integration Department in close collaboration with the ILO Department of Statistics.

The Guidelines have been prepared under the coordination of Naïma Pagès, Chief technical advisor of the ILO/EC MAP project. They benefitted from input by Richard Anker (consultant), Lee Swepston (consultant) and Geneviève Houriet (consultant).

The Guidelines are based on the experience gained in the countries involved in the MAP project between 2009 and 2013: Bangladesh, Brazil, Cambodia, Indonesia, Niger, Peru, the Philippines, Ukraine, and Zambia, and in their respective regions. They also take into account experience gained in other countries engaged in preparing decent work country profiles (in particular Armenia, Austria, Azerbaijan, Cameroon, Senegal, South Africa and the United Republic of Tanzania).

These guidelines, prepared on the basis of lessons learned from countries experience, provide concrete examples to illustrate important issues on analysing decent work indicators. Many people have been directly or indirectly involved in the preparation of decent work country profiles on which these guidelines refer to. Our warmest thanks go to all the national stakeholders and social partners in the countries that took part in the MAP project and the countries that have been also involved in the development of national assessments of decent work (including ministries in charge of labour and employment, national statistical offices, employer’s organisations, and workers’ organisations). Our thanks also go to the national and regional coordinators of the MAP project and to the ILO specialists who contributed to the implementation of project activities and to the preparation of various studies and reports between 2009 and 2013, particularly from the ILO Departments of Policy Integration and Statistics, the Regional Offices of Addis-Ababa, Bangkok, and Lima, the Decent Work Teams/Country Offices of Brasilia, Budapest, Dakar, Dhaka, Lima, Lusaka, Jakarta, Pretoria and Manila and the ILO national coordinators of Cambodia and Kiev.

Finally, special thanks go to the professional editor Bob Drew, for final editing and to the Multimedia Design and Production Unit of the International Training Centre of Turin for the layout design and production of the guide.

The ILO would like to thank the European Union for financing these guidelines and supporting the whole process of the preparation of the document, under the ILO/EC Project Monitoring and Assessing Progress on Decent Work (MAP).

Some statements made in the report may not reflect the position of the national institutions and individuals mentioned above. Any errors or omissions found herein are the sole responsibility of the International Labour Office.
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Introduction

Background

The promotion of decent work - as “productive work in conditions of freedom, equity, security and human dignity”, is the main objective of the ILO and its Member States. Monitoring and assessing progress towards decent work at the country-level is therefore an important concern for countries and for the ILO’s social partners.

The concept of “decent work” was introduced by the Director General of the ILO in his first report to the International Labour Conference in 1999. The term was coined in order to integrate all the actions carried out by the ILO under a single heading. Since then, the introduction of the decent work concept had important implications for understanding the situation of workers precisely because the concept of decent work is comprehensive. The word “decent” describes something that is more than basic and acceptable, while the word “work” is used deliberately in order not to exclude informal workers. Decent work carries both quantitative and qualitative aspects and it is therefore important for the indicators that they encompass all aspects of work.

Decent work implies that one has to be concerned with both the legal framework and working conditions in a country as both are required to ensure “decency”. The word “decent” connotes a need for minimum acceptable working conditions and therefore the need for indicators to measure the situation of the disadvantaged and poorest workers, including indicators that measure the extremes of distributions such as excessive hours and low-pay rate. “Work” thus implies a concern for all types of jobs and types of workers, including those in the informal sector.

The ILO Governing Body discussed the measurement of decent work on several occasions and provided guidance on the main principles and methodology that should guide its measurement, including the use of statistical and legal framework indicators of decent work and the development of national decent work country profiles.

In March 2008 the Governing Body considered the measurement of decent work as “of particular value for assessing progress in countries with Decent Work Country Programmes alongside the more specific data related to programme targets and outcomes” and also “for contributing to results-based management and [strengthening] the knowledge base and analytical capacity of the Office”.¹

In June 2008, the International Labour Conference adopted the ILO Declaration on Social Justice for a Fair Globalization, which supports the assessment of progress towards decent work. The Tripartite Meeting of Experts (TME) on the Measurement of Decent Work, held in September 2008, then developed a framework for the measurement of decent work consisting on a parsimonious and carefully targeted set of indicators that are relevant for all countries, while identifying other categories of indicators for future consideration which it considered desirable but were not yet developed. The importance of the use of systematic statistical and legal information in a complementary manner was considered essential to address all aspects of decent

¹ See GB.301/17/6 (March 2008), GB.303/19/3 (November 2008) and GB.306/17/5 (November 2009).
work. The list of decent work indicators proposed by the TME covers the 10 substantive elements of the four pillars of the Decent Work Agenda.

In November 2008 the list was submitted to the ILO Governing Body, which invited the ILO to develop Decent Work Country Profiles on the basis of the general framework for the measurement of decent work, in order to assess progress towards decent work over time. While the standardized structure of Decent Work Country Profiles makes it possible to compare and learn from the experiences of other countries, they do not provide a ranking system. The Governing Body decided on certain basic principles regarding the measurement of decent work: (i) the purpose of decent work indicators is to assist constituents in assessing progress towards decent work and to offer comparable information for analysis and policy development, (ii) the framework is to be tested in a number of pilot countries by means of Decent Work Country Profiles; and (iii) information should be derived from existing statistical and legal information from national sources.

The origin of the ILO/EU project “Monitoring and Assessing Progress on Decent Work (MAP) 2009-13” goes back to the publication of the report of the World Commission on the Social Dimension of Globalization in 2004, when the European Commissioner for Trade Peter Mandelson observed that it would be useful to know whether the opening up of trade helps the creation of decent work.

In 2007 the International Labour Conference recalled that strengthening the ILO’s capacity to measure decent work was important to assist its members States’ efforts to reach the decent work objectives in the context of globalization.2

The possibility of a joint ILO/EC project to strengthen the capacity of member States to improve the collection and analysis of statistics on decent work was accordingly discussed by the Governing Body in 2008. This project called MAP project started in 2009 and provided full support to strengthening countries’ capacity to monitor and assess their progress towards decent work. The methodology includes tools, guidelines and manuals on data collection and data analysis in order to encourage more countries to conduct their own assessment.

National assessments of progress towards decent work

National assessments of progress towards decent work are undertaken through Decent Work Country Profiles, which provide a comprehensive overview of decent work at the country level with a focus on gaps and progress over a period of 10 to 15 years.

Decent Work Country Profiles have been developed by various countries, including those covered by MAP project plus additional countries, to analyse trends and progress in decent work and to identify the gaps that remain in the light of each country’s social and economic context. These assessments on decent work were each carried out by a national Tripartite Technical Committee or Steering Committee on a tripartite basis. The main indicators, figures and results of the Decent Work Country Profiles were discussed in tripartite validation workshops before publication and wide dissemination at the national level.3

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3 The Decent Work Country Profiles cited throughout these Guidelines are available at www.ilo.org/map and www.ilo.org/mdw
The Decent Work Country Profiles are a systematic compilation of a broad range of information that covers not only statistical data on the situation of workers but also the socio-economic context and the legal and institutional framework in which they work. Country Profiles are particularly important because they are one of the few ways of gaining a comprehensive and country-specific view of the world of work and the situation of workers in individual countries.

The Decent Work Country Profiles cover ten substantive elements corresponding to the four strategic pillars of the Decent Work Agenda: full and productive employment, rights at work, social protection and the promotion of social dialogue. They bring together in one document all available data on decent work in the form of statistical and legal indicators, together with an analysis of gaps and trends. They facilitate the evaluation of progress towards decent work and inform national planning and policy-making. As such they are an important tool for monitoring and assessing progress towards decent work.

The Profiles provide key information for designing and monitoring decent work country programmes (DWCP) and are an advocacy tool for mainstreaming decent work in national development policies. The decent work indicators can serve as a baseline for defining decent work targets and as a powerful instrument for monitoring and evaluating the DWCP and national policies. They are prepared by national experts with the ILO assistance, and reviewed by national stakeholders. They are intended to facilitate social dialogue and engagement of social partners in the design and implementation of policies and programmes for decent work and broader national development objectives.

As part of the MAP project, the ILO has been assisting countries to prepare Decent Work Country Profiles and to monitor and assess the progress made towards decent work. Decent Work Country Profiles have thus been prepared for countries from Africa, Asia, Europe and Latin America. Although the Profiles have relied on guidance and tools from ILO, particularly the ILO framework on the measurement of decent work setting out a common set of statistical and legal framework decent work indicators (Table A), they have varied in presentation, analysis, depth of discussion and the extent to which the legal and statistical indicators are linked. National partners have frequently requested additional guidance from the ILO on how to analyse decent work indicators and how to understand relationships between indicators.

The broad national experience in preparing Decent Work Country Profiles provides an excellent basis for taking stock and learning how to prepare and improve future Country Profiles. To date, more than 20 Profiles have been or are being prepared across the world4. The MAP/ILO tripartite Meeting on Measuring and Monitoring Decent Work held in Geneva in June 2012, brought together producers and users of decent work statistics (national statistical offices, ministries of labour, workers’ and employers’ organizations, ILO experts and representatives of the European Commission and of the Statistical Division of the United Nations Economic Commission for Europe) to share the experiences of countries that had prepared national assessments on decent work under the MAP project, and to discuss challenges to measuring, monitoring and reporting on decent work at the country level. The present Guidelines were prepared with the above background in mind and incorporate national experiences in preparing Decent Work Country Profiles as well as the main findings of the June 2012 meeting.5

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Description of Guidelines

These Guidelines are intended to be an important tool for ILO technical assistance to countries in monitoring decent work and reporting on progress made towards decent work, through the preparation of Decent Work Country Profiles.

The Guidelines notably provide tips and suggestions to help the ILO's constituents analyse statistical and legal indicators together across the 10 aspects of the four dimensions of Decent Work Agenda, taking into account the social and economic context, national policies and institutional framework.

They thus complement the ILO manual Decent work indicators, which provides specific guidelines on concepts, definitions, sources, metadata and interpretation for each decent work indicator of the ILO framework for measuring decent work.6

The Guidelines are structured as follows:

Part I provides general information on preparing Decent Work Country Profiles and discusses general issues related to the assessment of decent work;

Part II deals with each of the ten aspects of decent work as well as the socio-economic-demographic context, along with checklists of important issues to assist in the preparation of the Profiles and suggestions for possible figures and graphs drawing attention to important substantive issues and relationships; some insights into legal framework indicators are also included for each of the ten aspect of decent work.

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6 A first version of the ILO manual on Decent work indicators was released in May 2012 and launched at the global meeting of the MAP project in June 2012. An updated version of this manual has been presented at the 19th ICLS and will be published by end 2013. The Manual is available at: http://www.ilo.org/stat/Publications/WCMS_183859/lang--en/index.htm
Table A. Measurement of decent work based on guidance received at the Tripartite Meeting of Experts on the Measurement of Decent Work (September 2008), including revisions introduced during the pilot phase (2009-13)

<table>
<thead>
<tr>
<th>Substantive element of the Decent Work Agenda</th>
<th>Statistical Indicators</th>
<th>Legal Framework Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers in parentheses in the first column below refer to ILO strategic objectives:</td>
<td>Selection of relevant statistical indicators that allow monitoring progress made with regard to the substantive elements.</td>
<td>L – Descriptive indicators providing information on rights at work and the legal framework for decent work.</td>
</tr>
<tr>
<td>1. Standards and fundamental principles and rights at work;</td>
<td>M – Main decent work indicators</td>
<td>Description of relevant national legislation, policies and institutions in relation to the substantive elements of the Decent Work Agenda; where relevant, information on the qualifying conditions, the benefit level and its financing; evidence of implementation effectiveness (as recorded by ILO supervisory bodies); estimates of coverage of workers in law and in practice; information on the ratification of relevant ILO Conventions.</td>
</tr>
<tr>
<td>2. Employment;</td>
<td>A – Additional decent work indicators</td>
<td></td>
</tr>
<tr>
<td>3. Social protection;</td>
<td>F – Candidate for future inclusion / developmental work to be done by the Office</td>
<td></td>
</tr>
<tr>
<td>4. Social dialogue.</td>
<td>C – Economic and social context for decent work (S) indicates that an indicator should be reported separately for men and women in addition to the total.</td>
<td></td>
</tr>
</tbody>
</table>

Employment opportunities (1 + 2)

<table>
<thead>
<tr>
<th></th>
<th>Statistical Indicators</th>
<th>Legal Framework Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>M – Employment-to-population ratio (S)*</td>
<td></td>
<td>L – Government commitment to full employment</td>
</tr>
<tr>
<td>M – Unemployment rate (S)</td>
<td></td>
<td>L – Unemployment insurance</td>
</tr>
<tr>
<td>M – Youth not in employment, education, or training, 15-24 years (S)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M – Informal employment rate (S)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A – Labour force participation rate (1) [to be used especially where statistics on Employment-to-population ratio and/or Unemployment rate (total) are not available]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A – Youth unemployment rate, 15-24 years (S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A – Unemployment by level of educational attainment (S)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A – Employment by status in employment (S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A – Proportion of own-account workers and contributing family workers in total employment (S)* [to be used especially where statistics on informal employment are not available]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A – Share of wage employment in non-agricultural employment (S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F – Labour underutilization (S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memo item: Time-related underemployment rate (S) grouped as A under “Decent Working time”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantive element of the Decent Work Agenda</td>
<td>Statistical Indicators</td>
<td>Legal Framework Indicators</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Adequate earnings and productive work (1 + 3)</td>
<td>M – Working poverty rate (S)<em>&lt;br&gt; M – Employees with low pay rate (below 2/3 of median hourly earnings) (S)</em>&lt;br&gt; A – Average hourly earnings by occupation group (S)*&lt;br&gt; A – Average real wages (S)&lt;br&gt; A – Minimum wage as a percentage of median wage&lt;br&gt; A – Manufacturing wage index&lt;br&gt; A – Employees with recent job training (past year / past 4 weeks) (S)</td>
<td>L – Statutory minimum wage*</td>
</tr>
<tr>
<td>Decent Working Time (1 + 3)*</td>
<td>M – Employment in Excessive Working Time (more than 48 hours per week) (S)<em>&lt;br&gt; A – Employment by weekly hours worked (hours in standardized hour bands) (S)</em>&lt;br&gt; A – Average annual working time per employed person (S)*&lt;br&gt; A – Time-related underemployment rate (S)&lt;br&gt; F – Paid annual leave (developmental work to be done by the Office; additional indicator)</td>
<td>L – Maximum hours of work&lt;br&gt; L – Paid annual leave</td>
</tr>
<tr>
<td>Combining work, family and personal life (1 + 3)</td>
<td>F – Asocial / unusual hours (developmental work to be done by the Office)&lt;br&gt; F – Maternity protection (developmental work to be done by the Office; main indicator)</td>
<td>L – Maternity leave (including weeks of leave, and rate of benefits)&lt;br&gt; L – Parental leave*</td>
</tr>
<tr>
<td>Work that should be abolished (1 + 3)</td>
<td>M – Child labour rate [as defined by ICLS resolution] (S)<em>&lt;br&gt; A – Hazardous child labour rate (S)</em>&lt;br&gt; A – Rate of worst forms of child labour (WFCL) other than hazardous work (S)<strong>&lt;br&gt; A – Forced labour rate (S)</strong>&lt;br&gt; A – Forced labour rate among returned migrants (S)**</td>
<td>L – Child labour (including public policies to combat it)&lt;br&gt; L – Forced labour (including public policies to combat it)</td>
</tr>
<tr>
<td>Stability and security of work (1, 2 + 3)</td>
<td>M - Precarious employment rate <strong>&lt;br&gt; A - Job tenure</strong>&lt;br&gt; A - Subsistence worker rate**&lt;br&gt; A – Real earnings of casual workers** (S)</td>
<td>L – Termination of employment* (incl. notice of termination in weeks)&lt;br&gt; Memo item: ‘Unemployment insurance’ is grouped under employment opportunities; needs to be interpreted in conjunction for ‘flexicurity’.</td>
</tr>
<tr>
<td>Substantive element of the Decent Work Agenda</td>
<td>Statistical Indicators</td>
<td>Legal Framework Indicators</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>------------------------</td>
<td>---------------------------</td>
</tr>
</tbody>
</table>
| Equal opportunity and treatment in employment (1, 2 + 3) | M – Occupational segregation by sex  
M – Female share of employment in senior and middle management*  
A – Gender wage gap  
A – Share of women in wage employment in the non-agricultural sector  
A – Indicator for Fundamental Principles and Rights at Work (Elimination of discrimination in respect of employment and occupation) to be developed by the Office.  
A – Measure for discrimination by race / ethnicity / of indigenous people / of (recent) migrant workers / of rural workers where relevant and available at the national level to be developed by the Office.  
F – Measure of dispersion for sectoral / occupational distribution of (recent) migrant workers  
F – Measure for employment of persons with disabilities.  
Memo item: Indicators under other substantive elements marked (S) indicator should be reported separately for men and women in addition to the total. | L – Equal opportunity and treatment*  
L – Equal remuneration of men and women for work of equal value* |
| Safe work environment (1 + 3) | M – Occupational injury frequency rate, fatal*  
A – Occupational injury frequency rate, nonfatal*  
A – Time lost due to occupational injuries  
A – Labour inspection (inspectors per 10,000 employed persons) | L – Employment injury benefits*  
L – Occupational safety and health (OSH) labour inspection |
| Social security (1 + 3) | M – Share of population above the statutory pensionable age (or aged 65 or above) benefiting from an old-age pension (S) *  
M – Public social security expenditure (percentage of GDP)  
A – Healthcare expenditure not financed out of pocket by private households  
A – Share of economically active population contributing to a pension scheme (S) *  
F – Share of population covered by (basic) health care provision (S) (to be developed by the Office; additional indicator)  
F – Public expenditure on needs based cash income support (% of GDP)  
F – Beneficiaries of cash income support (% of the poor)  
F – Sick leave (developmental work to be done by the Office; additional indicator)  
[Interpretation in conjunction with legal framework and labour market statistics.] | L – Old-age social security or pension benefits (public/private)*  
L – Incapacity for work due to sickness / sick leave  
L – Incapacity for work due to invalidity  
Memo item: ‘Unemployment insurance’ is grouped under employment opportunities. |
<table>
<thead>
<tr>
<th>Substantive element of the Decent Work Agenda</th>
<th>Statistical Indicators</th>
<th>Legal Framework Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social dialogue, workers' and employers' representation (1 + 4)</td>
<td>M – Trade union density rate (S) <em>&lt;br&gt;M – Employers' organization density rate (ED) (S)</em>&lt;br&gt;M – Collective bargaining coverage rate (S)&lt;br&gt;M/F – Indicator for Fundamental principles and rights at work (Freedom of association and collective bargaining) to be developed by the Office; main indicator&lt;br&gt;A – Days not worked due to strikes and lockouts*</td>
<td>L – Freedom of association and the right to organize&lt;br&gt;L – Collective bargaining right&lt;br&gt;L – Tripartite consultations</td>
</tr>
<tr>
<td>Economic and social context for decent work</td>
<td>C – Children not in school (percentage by age) (S)&lt;br&gt;C – Estimated percentage of working-age population who are HIV-positive&lt;br&gt;C – Labour productivity (GDP per employed person, level and growth rate)&lt;br&gt;C – Income inequality (90:10 ratio)&lt;br&gt;C – Inflation rate (Consumer Price Index, CPI)&lt;br&gt;C – Employment by branch of economic activity&lt;br&gt;C – Education of adult population (adult literacy rate, adult secondary-school graduation rate) (S)&lt;br&gt;C – Labour share of Gross Value Added (GVA)<em>&lt;br&gt;C (additional) – Real GDP per capita (level and growth rate)</em>&lt;br&gt;C (additional) – Female share of employment by economic activity (ISIC tabulation category)<em>&lt;br&gt;C (additional) – Wage / earnings inequality (90:10 ratio)</em>&lt;br&gt;C (additional) – Poverty measures **</td>
<td>L – Labour administration**&lt;br&gt;Developmental work to be done by the Office to reflect environment for Sustainable enterprises, incl. indicators for (i) education, training and lifelong learning, (ii) entrepreneurial culture, (iii) enabling legal and regulatory framework, (iv) fair competition, and (v) rule of law and secure property rights. Developmental work to be done by the Office to reflect other institutional arrangements, such as scope of labour law and scope of labour ministry and other relevant ministries.</td>
</tr>
</tbody>
</table>


*Wording modified by ILO in the pilot phase; **Indicator added by ILO in the pilot phase (2009-2013).
PART one
two

General issues in assessing progress towards decent work
Chapter 1.
The ILO framework for the measurement of decent work

1. The ILO framework

The ILO has proposed a framework for measuring decent work that consists of a set of statistical and legal decent work indicators to measure each of ten substantive elements of decent work as well as the socio-economic-demographic context for decent work (see Table A). Statistical decent work indicators are considered to be main (M) indicators when they are expected to be used by all countries when data are available; additional (A) indicators to be included when available and considered important for the country; and future (F) indicators that are expected to be developed by the ILO so countries will be able to use them in future - although some countries will have developed these indicators from available national data and wish to include them for assessing progress towards decent work.

For legal decent work indicators that are inherently qualitative, assessments of progress at the country level are constructed through textual analysis of authoritative reports, including national legislation documents, reports submitted to and produced by the ILO supervisory bodies, local surveys and administrative data.

The ILO framework is based on extensive work and several publications since the early 2000s and has been developed (i) so that indicators can capture all four dimensions of decent work (i.e., labour standards and fundamental principles and rights at work, employment opportunities, social protection, and social dialogue) and (ii) so that these decent work indicators also reflect individual specific circumstances and priorities, as expressed in their DWCPs and policy documents.8

To date, the ILO framework on the measurement of decent work (proposed by the Tripartite Meeting of Experts 8-10 September 2008 and adopted at the 18th ICLS), as a global “template” based on 10 substantive elements linked to the 4 strategic objectives, has been widely used by the countries in producing Country Profiles. Some have disaggregated the decent work indicators according to the national context (for example by race in Brazil or by province in Indonesia) or have adapted them to the availability of the data. Many countries have used national definitions and thresholds (minimum age for employment, retirement etc.) and included international definitions for the purposes of comparative analysis.9

Some further guidance has been required by the pilot countries to help them to better use the ILO framework and the international statistical standards for compiling decent work indicators and to better analyse the decent work indicators together and prepare Country Profiles.

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7 For example, Anker et al.: Measuring decent work with statistical indicators, Policy Integration Department Working Paper No. 2 (Geneva, ILO, 2002).


9 The word “template” was used in the sense of a comprehensive framework for a decent work country profile, and that the Office would maintain flexibility and adapt it to country circumstances and national priorities by including additional indicators and information. However, it was important to maintain a common core” (GB.303/19/3, 303rd session, November 2008).
2. Adaptation of the ILO framework to national circumstances

The ILO framework of decent work indicators is not all-inclusive and should therefore be seen as a launching pad for measuring decent work rather than as a straightjacket. The aim of the framework is to propose a template of international relevance that can be adapted to national circumstances and evolve over the years as new indicators are needed.

Hence, when other relevant decent work indicators or disaggregation levels of the main decent work indicators are available in a country, they should be considered for inclusion in a Decent Work Country Profile. For example, Brazil’s Country Profile includes time-use data to measure the difficulty of combining work and family and personal life for men and women; and Brazil and South Africa have tabulated most if the ILO indicators by race. These are good examples of why it is informative to go beyond the ILO’s list of indicators and to add other statistical indicators and information as they become available or relevant.10

3. Tripartite agreement on national decent work indicators

In the process of identifying and agreeing on national decent work indicators (DWI), a tripartite national consensus needs to be reached. The involvement of tripartite representatives from the very start of the process (identification of the DWI) to the end (tripartite discussion on the draft report, validation of the national report and dissemination) is essential. In addition, governments, and particularly the Ministries of Labour and Employment, should take a strong lead in coordinating the assessment of decent work in the country, as recommended by the participants of the MAP 2012 global meeting on lessons learnt from country experience. Indeed, the consensus-building process used in the MAP project has been a major facet of its success.

10 The manual Decent work indicators and the Guidelines on Assessing progress on decent work have been produced to provide better guidance to member States on that. In addition, the ILO is developing some of the “future” indicators and will examine the possibility of developing some of the nationally identified new indicators, particularly those on “Combining work, family and personal life”, as recommended at the MAP meeting in June 2012.
Chapter 2.
Country Profiles as a comprehensive analysis of decent work

The need for a robust framework based on sound measurement principles to analyse qualitative and quantitative data on decent work in an integrated approach was stressed by the ILO’s constituents at the Tripartite Meeting of Experts in September 2008 (see Box 1). It was emphasized that the framework must be flexible enough to be adapted as new challenges arise or new indicators become available and thus framework should have the potential to evolve dynamically over the years.

It is often highlighted that the most tangible added value of the concept of decent work is that “it encapsulates an integrated approach, ensuring that the strategic objectives are addressed together and as effectively as possible”. Measuring and monitoring decent work involves a comprehensive list of qualitative and quantitative indicators to cover all dimensions of decent work and allowing integrated analysis of decent work. Indeed, the measurement of decent work should go beyond the collection of a disparate set of labour market indicators, but at the same time, it is unreasonable to expect aggregation of qualitative and quantitative indicators. It has been thus suggested that the Office will intensify work on the development of methodologies to assess country-level progress over time towards decent work objectives. Such progress may be recorded in “country profiles” maintained by the ILO using in so far as possible a global methodological framework and a comprehensive list of indicators on which information would be compiled (ILO Governing Body Document 301/17/6 March 2008).

Box 1. For an integrated approach in analysing quantitative and qualitative indicators on decent work

To be useful for policy-making, trends need to be identified and the data must be interpreted to facilitate subsequent use in policy analysis and development. With a large number of qualitative and quantitative indicators this can be difficult. It is often highlighted that the most tangible added value of the concept of decent work is that “it encapsulates an integrated approach, ensuring that the strategic objectives are addressed together and as effectively as possible”. This suggests that the measurement of decent work should go beyond the collection of a disparate set of labour market indicators. At the same time, it is unreasonable to expect aggregation of qualitative and quantitative indicators. It is, thus, suggested that work be intensified on the development of methodologies to assess country-level progress over time towards decent work objectives. Such progress may be recorded in decent work country profiles using, in so far as possible, an agreed methodology and a standard list of indicators on which information would be compiled. These country profiles could be made available both in print form and through the Internet, which would make it possible to layer information and to provide readers with links to further information, including national and ILO statistical and legal databases or other sources of relevant and reliable information.

1. The report structure

Decent Work Country Profiles should begin with the usual table of contents, preface, acknowledgements, executive summary, list of abbreviations, list of tables and list of figures. The body of the Country Profile should have 11 chapters. Chapter 1 sets the stage for the Country Profile by describing the socio-economic-demographic context for decent work in the country. This background chapter is followed by 10 chapters that describe, discuss and analyse one aspect of decent work and how it has evolved in the country in recent years.

The outline of all Decent Work country Profiles should thus be as follows:

- Table of contents
- Preface
- Acknowledgements
- Executive summary
- List of abbreviations
- List of tables
- List of figures
- Chapter 1: Socio-economic-demographic context for decent work
- Chapter 2: Employment opportunities
- Chapter 3: Adequate earnings and productive work
- Chapter 4: Decent working time
- Chapter 5: Combining work, family and personal life
- Chapter 6: Work that should be abolished
- Chapter 7: Stability and security of work
- Chapter 8: Equal opportunity and treatment in employment
- Chapter 9: Safe work environment
- Chapter 10: Social security
- Chapter 11: Social dialogue, workers’ and employers’ representation
- Summary
- Annexes

It is recommended that a summary be included at the end of the Country Profile to highlight important findings and draw general conclusions about progress towards decent work. It is also important to add a short summary at the end of each chapter on the aspect of a decent work it deals with.

The structure of the report has important advantages. In the first place, it ensures that all ten aspects of decent work are covered and discussed in detail in the Profile. Second, discussing each aspect separately is easier than discussing several aspects of decent work at the same time (e.g. discussing employment opportunities, hours and earnings all together). Third, the structure ensures that each chapter is focused and reasonably concise and so easier to read. Fourth, it makes it possible to move easily to the aspects of decent work that most interest the
reader. Experience in the pilot-testing process (2009-2013) has shown that the structure indicated above is an excellent basis for assessing and monitoring progress toward decent work and communicating it to the public and tripartite partners.

However, the proposed structure of Decent Work country Profiles also has some disadvantages. First, having a separate chapter for each aspect of decent work implicitly encourages those preparing the Profiles to treat each aspect in isolation, which is unfortunate because decent work is an integrated concept. Second, there is a natural tendency to make each chapter similar in length for fear some chapters might appear bare and out of place. But the various aspects of decent work are not of equal importance in every country. For example, the need to eliminate child labour may be very important in low-income countries but relatively unimportant in high-income countries. Also, the availability and reliability of data for decent work indicators may be greater for some aspects of decent work (e.g., employment opportunities and earnings) than for others (e.g., combining work, family life and safe work environment) and the length of the relevant chapters will therefore differ.

The Guidelines encourages using this structure and provides suggestions for an integrated analysis of the decent work indicators, such as those included in check lists of important issues and suggestions for possible figures (see Part II).

2. Length and structure of chapters

There is no recommended length for the chapters, which are bound to vary according to (i) the relative importance of each aspect of decent work and (ii) the availability of data in the country. As already noted, the discussion of child labour in a high-income country is sure to be much shorter than the discussion of employment opportunities, and reliable data are generally more likely to be available on employment opportunities and earnings than on combining work and family life.

The following structure for each chapter will be found useful:

(a) An introductory paragraph about the importance of the aspect of decent work addressed by the chapter. In countries where this is felt to be self-evident, the introductory paragraph could be omitted.

(b) Description of the legal framework and government policies regarding the aspect of decent work concerned, including the coverage of workers by laws and regulations and compliance with those laws and regulations.

(c) Description and analysis of statistical indicators for the aspect of decent work concerned, including differences by gender and area and for disadvantaged groups.

(d) Relationships (i) between different decent work indicators in the chapter and (ii) between the indicators in the chapter and in other chapters.

(e) Discussion of legal and policy options for improving progress towards decent work.

(f) A brief summary of progress towards decent work, including gender-related progress.
Chapter 3. General issues in assessing and monitoring decent work

This section highlights some general issues that apply to the analysis of decent work indicators in all chapters. Each separate aspect is discussed in greater detail in Part II.

1. Data required for statistical indicators

There are four main sources of data on decent work: population censuses, household surveys (general, labour force, income and expenditure), establishment surveys and administrative records. The majority of decent work indicators are compiled from household-based labour force surveys or other household surveys that have an employment module (see Box 2). Some indicators (safe work environment, social dialogue, social security) are compiled from administrative records, and a few can be compiled from establishment surveys (stability and security at work, adequate earnings, safe work environment).

National assessments on decent work (Country Profiles) depend on the availability of data at the national level as well as on their scope and frequency. Labour force surveys, other household surveys and population censuses are often only available for certain years. The countries that have produced Decent Work Country Profiles have used various ranges of years to assess their progress toward decent work. For example, for the first edition of Brazil's Profile the data covered the period 1992-2007, while the updated version included additional data for 2009 and 2010. Ukraine's Profile covered the period 1998-2009 and its updated version included additional data for 2010 and 2011. The Profile for the Philippines covered 1995-2010, Austria's Profile 1998 to 2008, Azerbaijan's 2003-08, and Zambia's 1998-2008.

Countries are encouraged to collect statistics related to the identified decent work indicators regularly, and it is therefore recommended that national statistical offices broaden or adjust their existing statistical instruments to measure the decent work indicators. Administrative data collection, from labour inspection databases and social security agencies for example, should also be improved.

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11 See the MAP June 2012 meeting report, ILO/EC: 2013, op.cit.
Box 2. Preferred sources for compiling the main decent work indicators

- **Employment opportunities**: employment-to-population ratio, unemployment rate, youth not in education and not in employment or training, informal employment rate.
  
The preferred source is the labour force survey (LFS). Population censuses and other household surveys may be used if they have an appropriate employment module as well as administrative records related to population and employment (such as unemployment registers). Informal employment is measured from the LFS including specific questions to capture information on informal employment and other household surveys may be used if they include a module with similar questions.

- **Adequate earnings and productive work**: working poor (WP), low pay rate (LPR).
  
The preferred source is household surveys that have an employment module and variables on the poverty status and economic activity of the household’s members (HIES, LSMS, LFS); establishment surveys (and sometimes administrative records related to social security) can also provide data on earning and hours.

- **Decent working time**: excessive hours (more than 48 hours per week).
  
The preferred source is the LFS or other household surveys; establishment surveys with a good coverage may be considered as a second option.

- **Work that should be abolished**: child labour rate.
  
The main source is household-based child labour surveys.

- **Stability and security at work**: precarious employment rate.
  
The preferred source is the LFS or other household surveys that provide information on the duration of contracts.

- **Equal opportunity and treatment in employment**: occupational segregation by gender, women’s share of employment in senior and middle management (ISCO groups 11 and 12).
  
The preferred source is the LFS; other household surveys and population census may be used if they have an appropriate employment module, as may administrative records related to employment and the ISCO groups.

- **Safe work environment**: Occupational injury rate, fatal
  
The preferred source is labour inspection records, annual reports, supplemented household surveys and establishment surveys.

- **Social security**: share of the population aged 65 and above benefiting from a pension, public social security expenditure (as a percentage of GDP).
  
The main source is administrative records, LFS and household budget surveys.

- **Social dialogue, workers’ and employers’ representation**: union density rate, percentage of enterprises belonging to employer organization, collective bargaining coverage rate.
  
The main source is administrative records, LFS and household budget surveys with extended modules.

Minimum number of years of data required for assessing the decent work situation

The situation for workers as regards decent work can be assessed with data for one recent year, although assessing progress toward decent work requires data for several years.

Minimum range of years of data required for assessing progress towards achieving decent work

Although it is not possible to set a precise minimum range of years for assessing progress toward decent work, less than five years is rarely sufficient because many statistical decent work indicators change slowly over time. In most circumstances 8-10 years is sufficient, with 10 or more years being preferred. Whether 5-7 years is sufficient depends on circumstances. In countries whose economy is changing rapidly (such as economies in transition from a centrally planned economy to a free market, countries emerging from a period of war or internal conflict, and countries with unusually rapidly economic growth), five years may be sufficient.

Annual data for assessing progress towards decent work

Annual data are may be required for assessing changes in decent work related to business cycles and short-term economic shocks while they are not required for analysing changes in decent work related to structural factors. In the latest case, data for two years may be acceptable for monitoring progress toward decent work if the years are sufficiently separated in time. For example, it would be acceptable for monitoring progress toward decent work to use data from labour force surveys conducted every five years or censuses conducted every 10 years.

Interpretation of decent work indicators for unusual years

Regardless whether the data are annual or for select years only, it is very important to consider if the first year and/or end-point year are unusual as this may significantly affect interpretation, especially of change. For example, if 2008 is the last year with data, progress towards decent work will tend to be understated because of that year’s world-wide financial crisis (see Box 3).
Box 3. Key aspects of decent work and implications for statistical indicators

1. The comprehensive nature of decent work implies that its measurement needs to cover all aspects of decent work. A compilation of indicators that covers only selected aspects - such as employment - would, thus, be insufficient to map progress towards decent work at the country level.

2. Whenever possible, decent work indicators should be based on data that cover all workers (including women and men in the informal economy). However, it is often useful to disaggregate data for different subsets of the employed population (for example by age, by gender or by status in employment).

3. Decent work indicators should have conceptual relevance for countries at all stages of development or be developed in a way that makes them relevant for all countries.

4. National data and information on decent work should be available for countries at all stages of development, and in every region to facilitate comprehensive reporting on progress towards decent work.

5. Concern for the improvement of the conditions of the most vulnerable workers implies that whenever relevant and practical, decent work statistical indicators should measure how many workers work under unacceptable conditions with respect to the aspect of decent work that is measured. This will often mean that it is preferable to collect data on the tail of a distribution (or on the entire distribution), rather than only on the mean or the median.

6. The concern for living conditions of workers and their families means that indicators should go beyond statistics on work and the workplace and could include, for example, aspects such as unpaid care work and reproductive work and access to health care and the incidence of working poverty.

7. In order to shed light on gender aspects of decent work, indicators should be measured separately for women and men whenever possible. Decent work indicators should therefore reflect the different needs and constraints of women and men workers, including taking into account unpaid care work and reproductive work.

The need for systematic information on rights at work and the legal framework for decent work

8. Decent work indicators should be placed in the context of the social and economic situation in a country, so that factors that hinder and promote progress towards decent work can be identified.

9. Two types of information can be used to monitor progress towards decent work: (i) statistical indicators on work and working conditions; and (ii) information on rights at work and the legal framework for decent work, including the effective application of rights.

10. Information on the legal framework for work should include information on laws, jurisprudence, coverage and effectiveness of implementation.

11. Information on the legal framework for work, as well as statistical indicators, should be transparent and verifiable; it needs to be regularly updated and errors systematically eliminated.
Assessing progress towards decent work at the national level

12. Most statistical decent work indicators should present a time series that covers the recent past (such as the previous ten years) in addition to the value for recent years, so that it is possible to observe change over time as, generally, most aspects of decent work only change gradually from year to year.

13. Since measurement error and erratic change from one year to the next can be large, annual values for some indicators could be smoothed out by using a running average calculated over several years such as the last three or five years. At the same time, annual values for some variables are also worth reporting even when they are erratic from year to year as they can also have meaning.

14. The analysis of decent work indicators should take into consideration whether decent work indicators are counter cyclical. When an indicator is counter cyclical, longer run secular changes could be discussed rather than annual change.

15. When selecting indicators, attention should be paid to whether a generally desirable level for an indicator can be identified, and whether change towards this level would indicate progress towards decent work.

16. An assessment of progress towards decent work at the country level needs to take into account the initial value of an indicator, and what would be a desirable range for this indicator.

17. Since changes in demographic structure and the sectoral distribution of employment will influence trends in some statistical indicators, contextual information needs to be provided and statistical indicators need to be interpreted in conjunction with data on demographic structure and the sectoral distribution of employment.

18. To neutralize the influence of demographic shifts and changes in the sectoral distribution of employment, some indicators could be restricted to certain age groups (e.g. age 25+ for tenure) and/or to certain sectors (e.g. the manufacturing sector for occupational fatality rate).

19. To monitor progress towards decent work, information on rights at work and the legal framework for decent work should reflect changes that have been made by countries to develop their national legislation or the application of laws, or both, with reference to ILO standards.

20. Monitoring progress towards decent work at the country level should not be linked to an index.

2. Challenges for interpreting the legal framework indicators

The legal framework indicators are intended to add legal information to the statistical indicators. While indispensable, they are also incomplete because in many cases they reflect an aspiration rather than a real description of how elements of the national economy work in practice. These indicators therefore need to be cross-referenced with the statistical indicators, and those working with them should understand that although they are very valuable they are an incomplete representation of the real situation that can be supplemented.

One aspect of this is that in many countries, particularly developing countries, there is a large informal economy which in practice escapes the reach of the law. Therefore, legal framework indicators on labour inspection, social security, minimum wages and others areas apply in practice only to the formal economy and not to the informal economy, which is sometimes much larger.

Finally, particular attention needs to be paid to the coverage of each law cited. Whenever a law applies only to “employees” this may indicate that those who are working without a formal employment contract, or who are not otherwise covered by the definition of “employee” in the law, are not covered by the legislation. This is particularly important in the light of new forms of employment relationships, under which people who are carrying out work for an enterprise are often engaged in a disguised form of labour that is intended to place them outside the law.

Relevant ILO Conventions should be listed under each legal framework indicator. The requirements of these Conventions are the basis on which assessments are made, as they are the expression by the ILO of the most appropriate standards on the subject. No judgment is made on the basis of whether or not a Convention has been ratified, but much of the information used in an evaluation is based on comments the ILO supervisory bodies may have made on the application of a particular Convention once it is ratified.

3. Importance of indicating approximate coverage of the legal framework and statistical indicators

It is important to provide some idea of the effective coverage of laws and regulations, without which users of the data would be obliged to draw their own conclusions as to how many and what type of workers benefit from favourable legal provisions. Even the approximations suggested by the ILO (few, some, about half, many, most, almost all) is helpful. For example, it is sometimes sufficient to indicate that relatively few workers (say, less than around 10 per cent) are effectively covered, as would be the case in many low-income African countries with many small farms in rural areas and a large informal sector in urban areas.

It is also important to give an indication of the type of workers covered by the statistical indicators, as indicators on safe work, for example, are often based on administrative records that cover only large establishments in the formal sector.

4. Importance of analysing linkages between decent work indicators

As mentioned earlier, decent work is a comprehensive concept and so different aspects of decent work are interrelated. For example, hours of work per month and earnings per month, frequency of excessive hours of work and real value of low-pay rate, economic growth and labour
productivity and real value of earnings, and frequency of excessive hours of work and occupational injuries may all be related, as may occupational segregation by gender, the male-female wage gap and the type of jobs held by women. Country Profiles thus afford an opportunity to analyse linkages between decent work indicators within chapters as well as between chapters (figures and graphs may help in analysing these linkages).

5. Usefulness of including figures and graphs to analyse relationships between different aspects of decent work

Decent Work Country Profiles are greatly enhanced as well as more interesting to read when they use figures and graphs to communicate findings and illustrate important relationships. Another advantage of figures and graphs is that they encourage an analysis of interrelationships between decent work indicators. By including different aspects of decent work in one figure or graph, relationships between them may become apparent and thus more likely to be addressed and analysed.

6. Value of providing information on the legal framework and statistics of decent work for country groupings

The complementarity of quantitative indicators and contextual information on the legal and policy framework (which includes rights at work) are an essential facet of the measurement of decent work (ILO Governing Body Document 303/19/3, November 2008).

Country Profiles are normally concerned with assessing decent work in a specific national context. However, a problem may arise when a Country Profile relies exclusively on national data without indicating the more general context in which a country’s economy functions and, especially, how typical or unusual the working conditions are in the country compared to similar countries and whether those countries are experiencing similar trends in their progress towards decent work. For example, when a low-income country has a high poverty rate, it is useful to know if it is especially high compared to similar low-income countries. Referring to values in similar countries helps put them into perspective. To do this, decent work indicators might include information on trade groups that the country belongs to (e.g., Austria is part of the European Union, the Philippines is a member of ASEAN, Ukraine belongs to the Commonwealth of Independent States), on the country’s designation by the United Nations (e.g., Zambia is a least developed African country), or on comparable neighbouring countries. Each country will thus indicate if there is any context that is particularly relevant to its decent work indicators.

Additional background information is always useful: whether the country is a low, lower-middle, upper-middle or high-income country, whether it belongs to ASEAN, the Andean Community, the EU, the CIS, etc., whether it has an open economy (e.g., imports and exports as a percentage of GDP); its demographic situation (e.g., total fertility rate and dependency rate), the extent to which its economy is dependent on a particular sector such as mining (e.g., percentage of GDP from this major sector). Social, economic and demographic indications such as these should be included in the chapter on the context for decent work and recalled when interpreting the indicators of each dimension.
7. Importance of discussing and analysing gender differences

The ILO Governing Body has stressed the importance of capturing gender differences in access to decent work and has emphasized that the Country Profiles should not only provide gender disaggregation wherever possible in the decent work indicators but also draw attention to, and provide an analysis of, thematic topics with particular gender implications, such as “combining work, family and personal life” and “equal opportunity and treatment in employment” (ILO Governing Body Document 306/17/5, November 2009).

Women and men are affected differently by labour laws and have different labour market outcomes. And as data by gender exist for many if not most statistical decent work indicators, this means that gender differences and gaps should be discussed and analysed in every chapter, including the extent to which there has been progress toward decent work for women in recent years.

One way to ensure that gender issues are addressed is to include them in a subsection near the end of each chapter drawing on points already commented on in the chapter. Some countries might wish to go further and include a separate chapter with observations and conclusions on gender for all aspects of decent work.

8. Importance of discussing and analysing differences for disadvantaged groups

Almost every country has disadvantaged groups that face discrimination. They tend to be affected differently by labour laws and to have worse labour market outcomes than others. To the extent possible, therefore, Decent Work Country Profiles should report, discuss and analyse the situation for disadvantaged groups in every chapter.
9. Need for vigilance regarding spurious statistics and data

A critical eye is needed for reported values of decent work indicators that are known to change slowly over time, or which are based on administrative records that are known to be incomplete and possibly biased.

One should be especially sceptical of reported values that show a big change over a short period of time, for example if in the space of a few years the employment-to-population ratio is reported as falling from 82 to 69 per cent, or the proportion of workers working excessive hours as falling from 23 to 9 per cent, or the male-female wage gap reported as rising from 12 to 27 per cent. No such changes are possible in the real world. One possibility is that the definitions have changed, another that the questionnaires or sampling have changed. Whatever the reasons, it is important in such circumstances to determine whether the earlier or the later reported value is more accurate for the decent work indicators. It is also unnecessary to discuss changes in decent work indicators when the reported changes are clearly not reliable, as in that case it is impossible to gauge whether or not there has really been any progress.

10. Usefulness of describing important data sources

Decent Work Country Profiles rely on a limited number of data sources, usually labour force surveys, other household surveys, population censuses, establishment surveys and administrative records. Each source covers different types of workers. Household surveys and population censuses typically collect information on everyone and labour force surveys on all persons of working age, i.e., on all workers without exception. Establishment surveys and administrative records, on the other hand, collect information on employees only, generally those in large formal sector establishments and national public agencies, i.e., on just one, albeit important, segment of the labour force which tends to have relatively better working conditions, especially in developing countries with a big informal sector and a large number of small farms.

A short description of each major source used (e.g., years, sample sizes, coverage of workers and sectors, etc.) would be valuable for users of the Decent Work Country Profiles At the same time it would make it easier to analyse progress towards decent work, because the information on worker coverage and other data issues that come up in many chapters could be reported on in an Annex, with a simple reference to it in the chapters.

11. Need for tables, figures and graphs to include clear titles and definitions

Tables, figures and graphs should be labelled in such a way that they are self-explanatory, without needing the user to refer to the written text. The title should indicate all of the information presented in the table, figure or graph, including the population, geographic area and time-period covered. The axes should indicate clearly the measurement units used and legends should be incorporated when necessary. Notes at the bottom should include definitions of variables, symbols, clarifications and explanations of the level of significance of the statistics and be followed by the source of the data. A reference to each table, graph or figure should be indicated in the text, with an explanation of what each shows and of the key points being made.
12. Discussion of policy options for improving progress towards decent work

In discussing each aspect shortcomings in the achievement of decent work will often come to light, and it would be helpful if policy options for addressing the gaps identified were discussed towards the end of each chapter. This is optional, however, as it is sometimes too politically sensitive to obtain tripartite agreement on the matter in a Country Profile that is somewhat technical in nature. In such cases, it may be preferable to make any relevant comments on policy options in a separate document.

13. Regularity of reporting on progress toward decent work and frequency of future Decent Work Country Profiles

The question inevitably arises whether Decent Work Country Profiles should be one-off or regular reports (e.g., annual). Ideally, of course, it would useful for countries to report regularly (say, once a year) on their progress towards decent work. However, such frequent reporting may in practice not be the best approach, as many statistical indicators change slowly and laws generally do not change each year and there may not be much new to write about.

Moreover, statistical indicators on decent work are subject to measurement errors, especially non-sampling error such as changes in definitions, questionnaire design, quality of fieldwork and quality of administrative records; in some cases these errors can be quite significant. Measurement error is especially large for indicators drawn from administrative records, and it is common for small annual changes in statistical decent work indicators to open the floodgates to measurement errors. This means that for some decent work indicators it is often unwise to focus too much on reported change from one year to the next. In such circumstances it may be best to use averaging techniques over several years.

Preparing annual or biennial Decent Work Country Profiles may well make sense for countries with relatively advanced statistical systems, partly because the precision of estimates for most statistical decent work indicators will most likely be acceptable, especially if techniques such as moving averages of annual values are used where appropriate. Also, such countries are more likely to have the necessary staff and expertise to produce Country Profiles every one or two years. But if annual or biennial Country Profiles are produced in such countries, their content and structure will differ from that of current Decent Work Country Profiles because real change from year to year is generally small and there would be too little of interest to write about if they were unchanged. The solution might be to follow the example of some international organizations and have each Country Profile focus on one aspect of decent work while including the data for all the decent work indicators in an appendix. For example, one year the focus might be on employment opportunities or social security, and the next year on hours of work and earnings, so that each Country Profile would still be interesting.

For countries without advanced statistical systems (which would include most developing countries), a Decent Work Country Profile every 5 to 10 years would be more appropriate, as real change would be more apparent, there would be fewer unremarked measurement errors scarce national expertise and resources would not be placed under excessive pressure.

Whether Decent Work Country Profiles are produced every year, every two years or every 5 or 10 years, countries should consult annual factsheets for their regular reports on progress toward decent work (possibly with an accompanying executive summary). This should be feasible for
all countries and it would provide the public and tripartite partners with the information they need and have the added advantage of maintaining and improving information on the country’s statistical and legal framework information system as it relates to decent work.

14. Possible extensions for Decent Work Country Profiles

Two extended decent work profiles were envisaged at the MAP meeting in June 2012:

- **Decent work profiles at the provincial level.** Some countries such as Brazil and Indonesia have produced sub-regional and provincial profiles on decent work, and Brazil may well prepare municipal profiles in the future. This makes sense for very large and diverse countries, where a single national value for the decent work indicators may be of limited value given the major regional differences that exist.

- **Decent work profiles for groups of countries.** This might be useful for regional areas (e.g., southern Africa, Central America), for economic and monetary unions (e.g., ASEAN, EU) or for groups of countries at a similar level of economic development, since countries in a particular region or economic grouping or at a similar level of development may have much in common in terms of working conditions and data availability (see Annex 1)\(^\text{12}\).

Also, regional decent work profiles would increase interaction between countries, enrich their knowledge base, familiarize them with the best practices of comparable countries and thus improve the quality of the Country Profiles.

Regional decent work profiles would also be very informative for the tripartite partners as they would provide an insight into regional progress toward decent work and show the extent to which the various countries were participating in the process.

Finally, regional profiles would also be a very valuable source of information for countries wishing to give added perspective to their national assessment of decent work.

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PART one
two

Assessing progress made across the ten aspects of decent work in the national context
Introduction

As has already been seen in Part I of these Guidelines, each of the ten aspects of decent work included in Decent Work Country Profiles is presented in a separate chapter. Part II likewise discusses the content and purpose of each chapter in a separate section.

To help in the preparation of Decent Work Country Profiles, each chapter is dealt with under the following headings:

- **Purpose.** The purpose of the chapter is recalled, with the list of relevant statistical and legal indicators.

- **Discussion.** General tips are offered for analysing decent work indicators, drawing attention to general issues regarding their interpretation.

- **Checklist.** A checklist of important issues draws the attention of those preparing Country Profiles to important substantive issues and to important linkages between decent work indicators.

- **Suggestions.** A list of suggestions for possible figures and graphs draws the attention of those preparing Country Profiles to the need to ensure a high standard of presentation, interest and readability and to highlight important substantive issues and relationships.
Chapter 1: Economic and social context for decent work
1. **Purpose of Chapter 1**

Chapter 1 sets the stage for Country Decent Work Profiles. It should indicate the current social, economic and demographic situation of the country and the main features of the labour market as well as it how has been changing in recent years. The idea is to provide those not familiar with the country with an understanding of the context within which work occurs.

It may be useful for the introductory chapter to point to important findings, such as rapid economic development accompanied by improvements in decent work and workers’ lives, or rapid economic growth that has not been accompanied by commensurate improvements in employment, wages and other aspects of decent work.

The ILO global framework on the measurement of decent work suggests 12 statistical indicators and one legal framework indicator, providing a broad picture of the economic and social context for decent work.

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<th>Statistical indicators of the economic and social context</th>
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<td><strong>CONT-1. Children not in school (percentage by age) (S)</strong></td>
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<tr>
<td>This indicator provides information on school-age children who are not attending school. In order to determine the percentage of children not in school the gross enrolment ratio is subtracted from 100 for each level of education (the gross enrolment rate is the total enrolment in a specific level of education, regardless of age, expressed as a percentage of the population in the age group that officially corresponds to that level of education.)</td>
</tr>
<tr>
<td><strong>CONT-2. Estimated percentage of the working-age population who are HIV positive</strong></td>
</tr>
<tr>
<td>This indicator shows the HIV prevalence rate among the working-age population.</td>
</tr>
<tr>
<td><strong>CONT-3. Labour productivity (GDP per employed person, level and growth rate) - MDG indicator</strong></td>
</tr>
<tr>
<td>Labour productivity is the total volume of output (measured in terms of GDP) achieved per unit of labour (measured in terms of employed persons). The purpose of this indicator is to assess the role of labour, which is one of the inputs to the production process, in terms of GDP growth.</td>
</tr>
<tr>
<td><strong>CONT-4. Income inequality (90:10 ratio)</strong></td>
</tr>
<tr>
<td>This indicator is the ratio of the average income of households in the top percentile to that of households in the bottom percentile of the income distribution.</td>
</tr>
<tr>
<td><strong>CONT-5. Inflation rate</strong></td>
</tr>
<tr>
<td>The consumer price index (CPI) is a summary indicator designed to measure changes over time in the general level of prices of goods and services that a reference population acquires, uses or pays for. The CPI is constructed as a weighted average of a large number of elementary aggregate indices. Each of the elementary aggregate indices is estimated using a sample of prices for a defined set of goods and services.</td>
</tr>
<tr>
<td><strong>CONT-6. Employment by branch of economic activity</strong></td>
</tr>
<tr>
<td>This indicator shows the share of employment by economic activity, as indicated by the International Standard Industrial Classification of all Economic Activities (ISIC). It is recommended as a minimum for presenting the share of employment in agriculture, industry and services.</td>
</tr>
</tbody>
</table>
CONT-7. Education of the adult population (adult literacy rate, adult secondary-school graduation rate) (S)
The adult literacy rate provides a snapshot of the basic level of education and the capability to access written information in a given country. The adult graduation rate from secondary school shows the proportion of adults who have had formal schooling.

CONT-8. Labour share in Gross Value Added (GVA)
The share of labour in the GVA is the total compensation of employees given as a percent of gross value added (a measure of total output). The purpose of this indicator is to measure the share of output which is paid as compensation to employees as compared with the share paid to capital. In general, the labour share in GDP (from national accounts estimates) will underestimate the proportion of gross value added accrued to total employment, as it covers only the compensation of employees and not that of the self-employed.

CONT-9. (additional) – Real GDP per capita (level and growth rate)
The GDP in PPP terms is used to compare national wealth across countries. The GDP per capita gives is the amount of GDP/wealth per person on average. It is also used as a macro indicator of well-being.

CONT-10. (additional) – Female share of employment by economic activity (ISIC tabulation category)
This indicator is computed as the share of women employed expressed as a percentage of total employment in a given economic activity. It provides information about the employment opportunities for women and gives an indication of the extent to which women have equal access to employment in different economic activities.

CONT-11. (additional) – Wage/earnings inequality (90:10 ratio)
This indicator measures of inequality solely on the basis of income from employment. It refers to the ratio of the average earnings of employees in the top percentile to that of employees in the bottom percentile of earnings distribution.

CONT-12. (additional) – Poverty measures
Poverty can be measured by means of two indicators: the Headcount Index and the Poverty Gap Index. These indicators provide information on the well-being of the population by indicating the poverty status and the severity of poverty, respectively. The Headcount Index is computed as the percentage share of the population living below the national poverty line. The Poverty Gap Index, on the other hand, is the mean distance separating the population from the poverty line expressed as a percentage of the poverty line.

Other indicators could be added that relate to the country's level of economic development (according to the United Nations classification) and to its international trade (as a percentage of the GDP), as well as to demographic trends (including total fertility rate, annual growth rate of the population and of the working-age population, urbanization rate and urban and rural annual growth rates).13

The legal framework indicator related to the national context corresponds to Labour Administration, which is defined as “public administration activities in the field of national labour policy”. Those activities include policy shaping, formulation and implementation via a labour admin-

13 It is suggested that a few major occupations dominated by women and dominated by men be identified so that information on these occupations can be reported throughout the Country Profiles. This should include at least one low-wage occupation dominated by women and one low-wage occupation dominated by men.
istration system. It requires an institutional framework for coordination, in addition to one for consultation with and participation by social partners.\textsuperscript{14}

**Legal framework indicator 1. Labour administration**

The structure of a country’s labour administration is set out in national laws and regulations. The responsibilities of the labour administration system may not be centralized in one ministry. For example, the Ministry of Transport may be responsible for labour administration in the maritime or rail sectors, and the duties of the criminal justice system may overlap with those of the labour inspectorate (when dealing with undocumented migrant workers, for instance).

The extent to which the statistical indicators are reliable will depend in large part on the adequacy and scope of the labour administration system. Statistical indicators are far more reliable if they are based on a nationwide system of gathering and collating reliable labour statistics, which is a vital aspect of a modern labour administration. The reliability of all the statistical indicators under this broader heading will depend largely on whether there is a viable institutional and legal context for gathering and analysing labour statistics.

Here again, it is often the case that statistics gathered by national surveys do not cover all the relevant subjects. They may be supplemented by social security statistics if these are gathered separately – see legal framework indicators 3 (Unemployment insurance), 14 (Employment injury benefits) and 16 (Pensions).

The extent to which the labour administration system of any country ensures decent work depends on elements of law and practice that are dealt with in greater detail under other indicators. Because this heading will include general information on the coverage and scope of national labour law, it may be advisable finalize it only when the extent to which other indicators are applied is clear. That said, it is normal that it be listed first, as it lays the groundwork for most of the other indicators.

**ILO standards on labour administration**

The concepts used here are based on three ILO Conventions. The first of these is the Labour Administration Convention, 1978 (No. 150), which provides an overall framework for labour administration, including the organization and attributes of the ministry responsible for labour issues and the scope and nature of its responsibilities. (As indicated above, these responsibilities may not be centralized in one ministry.)

The two other Conventions are the Labour Inspection Convention, 1947 (No. 81), which covers labour inspection in commerce and industry, and Labour Inspection (Agriculture) Convention, 1969 (No. 129). Conventions Nos. 81 and 129 are among the ILO’s priority governance Conventions. They are of particular importance for decent work and are reported on by ILO member States at more frequent intervals than most Conventions.

Labour administration (and labour inspection in particular) is an area where the size of the informal economy is especially relevant to whether a country’s economic and social context is conducive to decent work. The analysis of the effectiveness of labour administration should incorporate estimates of the proportion of workers engaged in the informal economy and of the extent to which the labour inspectorate covers their activities. Information and statistics on child labour, forced labour and discrimination may also be relevant to this indicator.

\textsuperscript{14} For more details, see the ILO manual *Decent work indicators* (Geneva, 2013).
2. Discussion

Key background information about the country

- **History, geography and people**
  
  Chapter 1 should start with a succinct broad-brush description of the country’s history, geography and people. For example, the Decent Work Country Profile of the Philippines begins: “The Philippines is an archipelagic country located in South-East Asia. It is composed of 7,100 islands that make the country unique with varied cultures. Its population grew annually at 2.04 per cent and its economic growth in recent years has been hampered by the financial crisis that plagued the Asian countries in 1997-98 and the global financial crisis in 2008-09.”

  Another good example is the Indonesia’s Country Profile, which begins: “Located in the South-East Asia region, the republic of Indonesia is the world’s largest archipelago with roughly 17,000 islands which span some 5,120 km from east to west. The country consists of about 300 ethnic groups which encompass a rich diversity of cultures. During the last 15 years, Indonesia has undergone tremendous social and political changes that have shaped the landscape for decent work. Following the severe economic crisis of 1997-98, the country has experienced a political transition to a democratic system.”

- **Country grouping(s) to which the country belongs**
  
  This is a good place to indicate whether there are regional or other groupings of countries to which the country belongs, and possibly how the country compares to the other countries in terms of its level of development. For example, Austria is part of the EU, Ukraine is part of the CIS, the Philippines is part of ASEAN and APEC, Zambia is part of SADC. Use of data on decent work indicators from a group of countries or from specific countries can give perspective to the way decent work conditions in the county have been evolving (Checklist 1).

- **Level of economic development and openness of the economy**
  
  The general description of the country should also indicate the country’s level of economic development (whether the country is a least developed, low-income, lower-middle-income, upper-middle-income or high-income country). This is a good place to indicate how open the economy is to international trade and markets (Checklist 2).

**Demographic situation**

- **Fertility, population growth and growth of working-age population**
  
  Chapter 1 should go on to describe the country’s demographic situation, how it has been evolving and how these changes might be affecting decent work outcomes. It should indicate how many children women are having (total fertility rate), the overall population growth rate and the growth of the working-age population (annual growth rates). This is important information as it affects the labour supply and family needs (Checklist 3, and Suggestion 1 for figures/graphs).
• **Urbanization**

The discussion on demography should indicate the extent to which the country is urbanized (urban percentage) and the population growth rate in urban and rural areas (annual growth rates). This is valuable information, because working conditions and poverty rates differ in rural and urban areas in most countries (Checklist 4).

**Economic growth and structure if the labour market**

• **Economic growth**

Economic growth and changes in labour productivity in recent years, including whether there have been major business cycles or economic crises, is critically important information for interpreting changes in decent work, since decent work may have suffered greatly in certain years because of political instability, changes in commodity prices or economic crises such as the 2008 financial crisis.

This discussion should be based on data relating to the per capita growth rates of the GDP and to the rate of and inflation (CPI). An inflation rate that has been relatively high for some time can sometimes serve as an early warning signal for an economy; high inflation is always a problem for workers trying at least to maintain their standard of living.

The discussion should also note how the labour productivity rate has evolved, because a rising labour productivity rate supports economic development, international competitiveness and an increase in wages and income from labour (Checklist 5, and Suggestion 2 for figures/graphs).

• **Structure of the labour force**

Chapter 1 needs to indicate in broad terms the structure of the labour force and how it has been changing in recent years. This should cover the size of the informal sector as well as the distribution of employment by employment status, sector and occupation, possibly using one-digit industrial and occupational classifications for occupation and sector. It should also include the share of women in employment by sector (Suggestions 3 and 4 for figures/graphs).

• **Typical low-wage occupations that could be used as examples in the rest of the decent work profile**

The readability and interest of Country Profiles can be improved by indicating how workers in a few select occupations are faring, since this gives a better sense of reality. As far as possible, at least one large low-wage occupation dominated by women and one large low-wage occupation dominated by men should be cited. Which occupations are chosen will vary from country to country; for example, Cambodia might refer to the “female-dominated” textile industry and the “male-dominated” transport or construction sector, while Brazil might point to the “female-dominated” domestic workers and ”male-dominated” unskilled labourers in construction or agriculture.
Socio-economic situation

- Disadvantaged groups

As part of the discussion on the demographic situation, the existence should be mentioned of population subgroups that are disadvantaged and discriminated against and suffer from lower wages and greater poverty. Although the cause of discrimination differs from country to country, most have groups that are clearly disadvantaged on grounds of race, ethnicity, religion, migrant status, etc. It is important to note such distinctions in Chapter 1 to ensure that discussion and data in subsequent chapters address the issue, especially by disaggregating the main decent work indicators on the basis of these distinctions whenever possible (Checklist 6).

- Poverty rates, income distribution and the share of labour in the GDP

Chapter 1 should discuss levels and trends in poverty rates, income inequality and the share of labour in the GDP. Poverty rates should be indicated for men and women, for urban and rural areas and for disadvantaged groups. This discussion should include a critical appraisal of the poverty line used to estimate poverty rates, and especially how realistic the poverty line is in terms of the capacity of families to meet their basic needs (Suggestions 5-6 for figures/graphs).

Additional factors that can affect health and human capital

- Education

Chapter 1 needs to discuss education and schooling, since they affect the human capital of the present and future labour force and therefore economic performance. The statistical decent work indicators will refer to the adult literacy rate, secondary school graduation rate and percentage of children not in school, since school attendance is a factor in the prevalence of child labour. How these indicators differ for boys and girls, for rural and urban areas and for disadvantaged groups is important (Suggestions 7-8 for figures/graphs).

- HIV/AIDS

Chapter 1 should at some point discuss whether HIV/AIDS is a major factor in the country and how its incidence has evolved in recent years. HIV/AIDS can have major implications for an economy, for labour markets and for poverty. The discussion should indicate if HIV/AIDS affects certain groups more than others (e.g., women more than men, urban areas more than rural areas, certain occupations or sectors more than others). The discussion on HIV/AIDS should be short in countries where it has relatively little relevance and longer where it is HIV/AIDS is a major issue (Suggestion 9 for figures/graphs).
Legal framework for decent work

- **Laws, regulations and major policies**

Chapter 1 should discuss in general terms the legal framework for decent work. In some countries it would be appropriate to begin by referring to overarching legal commitments (e.g., the Constitution) and/or major government policies (e.g., directives and five-year plans) for improving employment or working conditions and/or for reducing poverty. Every Country Profile should comment on labour administration activities.

- **Effective reach of labour laws and regulations**

In all countries a general discussion is useful of the extent to which labour laws are effective in terms of scope. The effectiveness of laws is greatly affected by the size of the informal sector and the informal employment, as well as the numbers of self-employed and unpaid family workers, and the discussion will therefore need to draw on the available data to indicate in rough terms to what extent it is possible to enforce labour laws and regulations.

### 3. Checklist of issues that should be considered

- **Country groupings**

Does your country belong to a group of countries such as the EU, ASEAN, CIS or the Andean Community? If not, are there perhaps some neighbouring countries at the same level of development that your country is often compared to? Is your country designated as a least developed country, a low-income country or an Island State by the United Nations? How has your country been faring compared to similar countries (this may be referred to in subsequent chapters to put data into perspective?)

- **International trade**

How exposed is your country to international trade, and therefore to economic crises in other countries? How important are export processing zones (EPZs) where national labour laws do not apply or apply differently? It is important that this be indicated in Chapter 1 because of how it affects employment patterns and other aspects of decent work.

- **Possible differences between the growth of the working-age population and the growth of the population as a whole**

When describing your country’s demography, it is important to note whether there is a substantial difference between population growth and working-age population growth. The difference can be quite substantial in many developing countries that have experienced a rapid decrease in fertility and are currently enjoying the so-called “demographic dividend”.

- **Especially rich or poor regions in the country**

Are any regions or cities in your country especially poor or rich? If so, this should be noted in Chapter 1 as it may come up again in subsequent chapters with regard to how regions, especially poorer regions, have been faring in recent years in terms of decent work.
Major economic swings

Has your country experienced major economic swings in recent years as a result of economic crises, commodity price fluctuations, etc.? This is important because such occurrences are likely to have had a considerable bearing on changes in decent work in recent years.

Especially poor and disadvantaged groups

Are there any large groups of people in your country that are especially poor and disadvantaged – and probably discriminated against? Are there ethnic, national, religious, caste, migrant, etc. groups that are especially poor and disadvantaged? This needs to be raised in chapter 1 because discussion and analysis of decent work in subsequent chapters will discuss how decent work among these groups differs or is evolving.

4. Suggestions for figures/graphs

Comparing population growth with growth of the working-age population

Graph with year on x axis, annual growth rate and annual growth rate of working-age population on y axis.

The main purpose here is to analyse whether there is a substantial difference between the population growth rate and the growth rate of the working-age population.

Some developing countries are fortunate in having a “demographic dividend”, with low dependency rates of young and old people because of a rapid decrease in fertility in the past. Although this means that the working-age population is growing relatively quickly, it is easier to increase economic growth – and therefore employment – with low dependency rates. In other developing countries fertility rates have remained high and unchanged, and as a result the growth of the working-age population remains high. This increases the difficulty of boosting economic growth and generating sufficient employment. High-income countries have low population growth rates and low working-age population growth rates. While this should make it easier to resolve employment problems, a high old-age dependency ratio increases economic difficulties in many ways.
Economic performance in recent years

Sparklines graph with year on x axis, percentage on y axis.

The graph plots the real annual GDP per capita growth rate, the real annual labour productivity growth rate and the annual CPI. Note that years in which a major occurrence affects the economy, such as an economic crisis, a business cycle, a commodity spikes or trough, political instability, etc., should be noted on the graph.

Change in the structure of the labour force

Graph with year on x axis, percentage on y axis.

The graph plots the percentage of labour force in agriculture, services and industry.

Employment distribution by employment status and size of informal sector

Graph with year on x axis, percentage on y axis.

The graph plots the percentage of employment in the informal sector, of informal employment, and the percentage of employment by employment status (wage or salary, and family worker).

Poverty rate by sex, area and major disadvantaged group

Bar chart with poverty rates for males and females, rural and urban areas, and disadvantaged groups.

The bars could be presented for two years (e.g., earliest and latest year for which data are available).

Relationship between economic growth, income inequality, share of labour in GDP and poverty rate

Sparkline figures with variables plotted over time.

Adult literacy rate by age, sex, rural and urban areas and disadvantaged groups

Bar chart with adult literacy rates for males and females, rural and urban areas, and disadvantaged groups.
Percentage of children not in school by school level and age, sex, area, and disadvantaged groups

Bar chart with the percentage of children not in school, for males and females, rural and urban areas, and disadvantaged groups (this figure could be analysed in Chapter 6: Work that should be abolished).

HIV/AIDS incidence rates by age, sex, area, race, etc.

Bar chart with percentage HIV/AIDS rate on y axis, major groups and areas on x axis (e.g., male and female, age group, rural and urban, types of race).

The higher the HIV/AIDS incidence rate in a country, the more important this bar chart would be for a Country Profile. If the incidence of HIV/AIDS has changed in recent years, the chart could have two bars for each group or area (one bar for the earlier year and one bar for the later year).
Chapter 2: Employment opportunities
1. Purpose of Chapter 2

Decent work is not possible unless people can find employment and earn a living, and the employment opportunities dimension provides an insight into the quantity of labour demand and supply in an economy. It thus targets an important aspect of the labour market conditions faced by workers and potential workers and by employers. It also measures the quality of employment through the lens of informal employment and other key components such as the underutilization of labour.

Of the ten aspects of decent work included in Country Profiles, the employment opportunities dimension comprises the largest number of statistical indicators within the decent work measurement framework, reflecting both the importance of employment opportunities as a key decent work component and the emphasis on employment and unemployment in current labour statistics. The ILO’s framework for measuring decent work suggests 11 statistical indicators and two legal framework indicators.

There are 4 main and 6 additional statistical indicators for employment opportunities and one future indicator relating to labour underutilization, which is currently being developed by the ILO.15

<table>
<thead>
<tr>
<th>EMP-1. Employment-to-population ratio (M)</th>
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</thead>
<tbody>
<tr>
<td>This is the percentage of employed persons in the working-age population. It shows the overall demand for labour in an economy and provides information on its ability to generate employment.</td>
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<tr>
<th>EMP-2. Unemployment rate (M)</th>
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<tbody>
<tr>
<td>This is the percentage of unemployed persons in the labour force. It reflects the inability of an economy to generate employment for people who want to work but are not doing so, even though they are available for employment and actively seeking work.</td>
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<tr>
<th>EMP-3. Youth not in education and not in employment (M)</th>
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<tbody>
<tr>
<td>This is the percentage of young people who are not in employment and not in education or training. It provides a measure of those who are outside the educational system and not in employment, and thus serves as a broader measure than youth unemployment of the potential number of young entrants into the labour market.</td>
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</tbody>
</table>

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<tr>
<th>EMP-4. Informal employment (M)</th>
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<tbody>
<tr>
<td>This is the percentage of persons in total employment who are engaged in informal employment. Informal employment is a job-based concept that encompasses jobs that generally do not offer basic social or legal protection or employment benefits. Informal jobs may occur in the formal sector, in the informal sector or in households.</td>
</tr>
</tbody>
</table>

15 The labour underutilization indicator allows data users to analyse the level and trend of one or more alternative measures to the unemployment rate, EMPL-2. The concept of labour underutilization was discussed at the 18th ICLS and developed by the ILO Working Group for the Advancement of Employment and Unemployment Statistics, which is to present a standard for the measurement of labour underutilization at the 19th ICLS in October 2013.
Chapter 2: Employment opportunities

### EMP-5. Labour force participation rate 15-64 years (A)
This indicator is defined as the number of persons in the labour force (employed and unemployed) given as a percentage of the working-age population. It 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.

### EMP-6. Youth unemployment rate (A)
This is the proportion of the youth labour force that is unemployed. It reflects the extent to which youth are available to work and are seeking employment.

### EMP-7. Unemployment by level of education (A)
This is the number of unemployed persons with a specified level of educational attainment as a percentage of the total number of persons who are unemployed. It provides an insight into the human capital dimension of unemployment and its potential implications for both employment and education policy.

### EMP-8. Employment by status in employment (A)
This is the number of workers in each category of the status-in-employment classification as a percentage of the employed population. It provides information on how jobs held by persons are classified, based on the associated economic risk and the authority of job-holders over establishments and other workers.

### EMP-9. Proportion of own-account and contributing family workers in total employment (A)
This is the percentage of total employed persons who are own-account workers or contributing family workers. It provides information on the proportion of workers whose status in employment may entail a higher degree of economic risk than for other employed persons.

### EMP-10. Share of wage employment in non-agricultural employment (A)
This is the percentage of employees in total employment in the non-agricultural sector. Employees (primarily those with stable contracts, particularly regular employees) may be exposed to less economic risk than some categories of self-employed workers.

### EMP-11. Labour underutilization (F)
Currently being developed by the ILO.

#### Employment opportunities are measured by three types of statistical indicators:

1. **employment opportunities measured in the positive sense of more employment** (e.g., labour force participation rate and employment-to-population ratio);

2. **employment opportunities measured in the negative sense of an inability to find employment** (e.g., unemployment rate and youth unemployment rate);

3. **general measures of the quality and type of employment available** (e.g., employment status, informal employment, wage employment in the non-agriculture sector).

The legal framework indicators corresponding to these statistical indicators are “Government commitment to full employment” and “Unemployment insurance”. The first is concerned with government policies and legal commitments to employment; many countries have policies and laws stating that the Government is committed to promoting employment creation in order to move toward the goal of full employment. The second legal framework indicator is concerned with government commitment to mitigating the effect on workers’ loss of income if they lose their job.
2. Discussion

Introductory paragraphs

It is useful to begin this chapter with a brief discussion of why employment opportunities are important, of the legal framework and of the extent of the government’s commitment to employment creation and full employment.

Legal framework for employment opportunities

The discussion of laws and regulations should provide information on national laws, regulations and policies concerned with promoting employment (possibly with the goal of full employment) and on the availability of unemployment insurance. While all governments are concerned with employment and policies for promoting employment opportunities are common, not all have unemployment insurance programmes. For those that do, it is important to indicate the type of workers covered and the percentage effectively covered; providing even a rough approximate range or percentage such as those suggested by ILO would be useful. The level of coverage and type of workers covered is especially relevant in countries with a small formal sector, since unemployment insurance will in this case effectively cover only a small proportion of workers (Checklist 1-3).
Legal framework indicator 2: Government commitment to full employment

One of the fundamental commitments of the ILO and its member States in times of financial crisis is the creation of opportunities for work. Only one ILO Convention is cited in legal framework indicator 2, the Employment Policy Convention, 1964 (No. 122). This Convention is considered one of the ILO’s priority governance instruments, as it is at the core of the ILO’s commitment to employment promotion and full employment. It is also described as a ‘promotional’ Convention, meaning that its legal content is concentrated on the obligation to “declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment” (Article 1(a)). Compliance with the Convention is not evaluated on the basis of whether employment meeting these characteristics is actually achieved, but on whether it is declared and pursued – particularly important at a time when the achievement of full employment is a great challenge for most countries. In drawing up a Decent Work Country Programme, therefore, it is vital to ensure that there is a national employment promotion plan, supplemented where need by regional or sectoral plans.

It is important to understand that a commitment to full employment is not the same as a guarantee of a job for each citizen; the “right to work” does not mean a job for everyone. It is a commitment to pursuing full employment and to creating opportunities for all those seeking work. As such, it is usually assessed in terms of changes in the employment rates than in absolute numbers, thus allowing the progress of employment to be evaluated.

One element of the goal does relate very closely to other indicators, which is the requirement that jobs be “freely-chosen”. This means that requiring people to take particular jobs is a violation of the Convention – and of the related decent work aspects of job creation. It would also be a violation of the Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105) (see Chapter 6: Work that should be abolished), though this has been questioned in countries that have required their citizens to carry out work for development purposes, or as a means of combating “vagrancy”.

It will be seen from the description of this general indicator that the commitment to full, productive and freely-chosen employment is assessed in particular by means of labour administration measures (see the relevant indicators). One of the means used to create employment is the provision of employment services, both public and private. When setting up this indicator the number and effectiveness of such employment services should be examined, whether they are governmental or private agencies. Statistics such as those relating to the number of people who consult these agencies and the number of successful referrals to employers will help to determine how the employment promotion policy functions in practice. Comments by the ILO’s Committee of Experts may help to evaluate how these services are functioning if the country has ratified the Employment Service Convention, 1948 (No. 88) (now outdated, but still binding on some countries), the Private Employment Agencies Convention, 1997 (No. 181), and the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159).

Attention should also be paid to the nature of the employment created, particularly whether it is in the formal economy and therefore subject to legal controls that allow it to be considered in relation to decent work. In addition, full employment is assessed partly with reference to such factors as equal treatment, legal working age and the availability of schooling and school attendance, which are factors that are also relevant to other indicators.

Another question to be considered is whether relations between employers and workers constitute an employment relationship, i.e., whether a worker is legally employed by a business. In an increasing number of situations it is difficult to determine whether or not an employment relationship exists in situations where there has been an attempt to disguise the employment relationship, or where inadequacies or limitations exist in the legal framework, or in its interpretation or application. This is covered in the ILO’s Employment Relationship Recommendation, 2008 (No. 198).
Employment opportunities measured in a positive sense with higher values indicating more employment through two indicators: the employment-to-population ratio and the labour force participation rate.

These indicators help measure the extent to which adults work in the country concerned and are looked upon as indicators of labour demand. This is only partly correct, however, as the labour force participation rate and employment-to-population ratio are affected both by labour supply and by labour demand. For example, population growth affects the supply of labour, and the adult labour force participation rate and adult employment-to-population ratio are both reduced when young people stay in school to finish secondary school or attend university, as well as when a fall in the average retirement age accompanies economic development. Values are also affected by the extent to which women participate in the labour force, which in turn is itself affected by the fertility rate, the level of education among women and the urbanization rate. These labour supply effects illustrate the usefulness of reporting these employment opportunities indicators for three broad age groups: youth (15-24 years), prime working age (25-59 or 25-64 years) and old age (60+ or 65+ years).

For the two indicators discussed here both high values and increases in values necessarily indicate an improved situation for workers (Box 4). To interpret these two indicators properly, therefore, the discussion should be seen in the light of the data on the type and quality of employment.16

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16 See also the ILO manual Decent work indicators, 2013.
Box 4. Higher values for the employment-to-population ratio and labour force participation rate do not necessarily indicate an improvement in labour market conditions for workers

The values of these two indicators are affected by other factors than labour demand. First of all, values in rural areas are often high, because most family members in farming households engage in economic work. Secondly, the supply of women workers is independent of the effect on labour demand of such factors as the fertility rate which affect women’s family responsibilities, educational attainment which affects women’s interest in working or returning to work, and urbanization which reduces the importance of employment on family farms. Thirdly and most importantly, higher values for these two indicators are sometimes influenced by situations of economic distress, where adults who would prefer not to work are obliged to do so because of their poor economic circumstances. This being so, it is useful to discuss values and changes in values for these two indicators in conjunction with other indicators that measure the quality of employment, such as informal employment, status in employment and the share of wage employment.

As usual, it is important to disaggregate and to report the indicators by gender, disadvantaged group and rural and urban area, because the values are likely to differ greatly for men and women, disadvantaged groups and rural and urban areas (Checklist 4-7, and Suggestions 1-4 for figures/graphs).

Employment opportunities measured in a negative sense as indicating a lack of employment opportunities for all workers

Employment opportunities measured in a negative sense as indicating a lack of employment opportunities for all workers are measured through two indicators: the unemployment rate and the unemployment rate by level of education.

The unemployment rate is probably the most widely used labour market indicator in the world. Although unemployment is of lesser importance in developing countries than in developed countries, since relatively few people in lower-income countries can survive long periods of unemployment because of their low incomes and the absence of unemployment insurance programmes, it is still important for young people (especially educated youth) in developing countries.

The unemployment rate by level of education is also an important indicator. Because the unemployment rate is typically higher among the better educated, it constitutes an important loss of human capital. In many developing countries this indicator is closely related to the youth unemployment rate.

It is very informative to report both the unemployment rate and the distribution of the unemployed by level of education. So far, most Country Profiles have reported the percentage dis-

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17 Unemployment rates are much higher when based on labour force survey data that when they are based on registration data collected from government employment agencies. Unemployment rates are also sensitive to the criteria used to determine what constitutes an active job search in labour force survey questionnaires and to the extent to which there are “discouraged workers”.

Assessing progress towards decent work at the national level
tribution of the unemployed by their level of education. For example, in Bangladesh, 25 per cent of the unemployed have no schooling, 50 per cent have some but have not completed secondary school, and 16 per cent have attended college.

As usual, it is important to disaggregate data by gender, disadvantaged group and rural and urban area, because the values are likely to differ greatly for men and women, disadvantaged groups and rural and urban areas (Checklists 7-9, and Suggestions 3-6 for figures/graphs).

Employment opportunities measured in a negative sense as indicating a lack of employment for youth

Again, there are two indicators for measuring the lack of employment opportunities for young people aged 15-24 years: the traditional indicator for youth unemployment (unemployment rate for persons aged 15-24), and the indicator of the number of youth not in employment and not in school or training, which is a measure of inactivity among youth. However, it is not clear how to interpret this latter indicator, since it combines both voluntary and involuntary inactivity in so far as it assimilates being out of the labour force with unemployment - for example, by including young women engaged in household activities that are considered to be beyond the System of National Accounts (SNA) boundary of economic activity. For this reason, this indicator should be analysed in conjunction with data on labour force participation rates by age and sex.

As usual, it is important to disaggregate employment indicators by gender, disadvantaged group and rural and urban area, because values are likely to differ greatly for men and women, disadvantaged groups and rural and urban areas (Checklists 7 and 10, and Suggestions 3-5 for figures/ graphs).

General measures of type and quality of employment opportunities

Four indicators provide a broad measure of the quality and type of employment opportunities: employment status, informal employment, share of wage employment in non-agricultural employment, and proportion of own-account workers and contributing family workers in total employment (vulnerable employment). These four indicators set the stage in a sense for discussions for the nine subsequent chapters of decent work, as indicators here are general measures of employment quality and type of employment.

Status in employment indicates the relative numbers of employed persons classified as employees, employers, own-account workers, contributing family workers, members of producers’ cooperatives and others (as defined by the ISCE-93). Informal employment encompasses jobs that lack basic social and legal protection or employment benefits. The share of wage employment in non-agricultural employment measures a segment of the labour force that is more likely than others to enjoy such protections and benefits, while the proportion of own-account and contributing family members measures a segment of the labour force that is less likely to do so.

Given the complexity of the definition and measurement of informal employment and employment in the informal sector, it is important for decent Work Country Profiles to clearly mention what is included in practice in the country concerned and as to the relative size of each of its components. It is recommended to promote the application of the statistical international
resolutions and guidelines on informal economy to the extent possible, when collecting data and computing the decent work indicators on informal employment. The ILO’s definition of informal employment includes several different types of employment. Informal employment includes: (i) own-account workers and employers who own an informal sector establishment; (ii) contributing family members regardless of whether they work in formal or informal sector establishments; (iii) members of informal producers’ cooperatives; (iv) employees with informal jobs regardless of whether they work in formal or informal sector establishments; (v) paid domestic helpers employed by private households; and (vi) own-account workers with a family farm that is mainly or exclusively of a subsistence nature. The definition of the informal sector is an enterprise-based definition measuring unregistered or unincorporated enterprises, whereas the definition of informal employment measures jobs that do not generally entitle the worker to basic social or legal protection or employment benefits.

Subsequent chapters will rely on these indicators as they help determine the effective coverage of laws and regulations that often do not cover actors in the informal economy effectively. For this reason it is useful to indicate in this chapter the relative size of each indicator, by gender, rural-urban area and disadvantaged groups when appropriate (Checklist 7 and 11, and Suggestions 3-5, 7 and 8 for figures/graphs).

Summary

A short summary of the main findings and conclusions for this aspect of decent work, as well as policy options for addressing observed employment opportunity gaps, should be provided at the end of this chapter. It should include conclusions regarding how women have been faring.

3. Checklist of issues that should be considered

Legal commitment to full employment

Are there any important legal commitments by the government to full employment, such as laws and the Constitution?

For example, the Decent Work Country Profile of the Philippines states that “full employment as a state policy is expressly declared in the Philippine Constitution”. A legal commitment to full employment is important information and should be discussed in this chapter, since it provides a positive environment for employment promotion.

Policies, development plans and major projects for employment creation

Are any important government policies or development plans concerned with employment creation? Many countries have five-year plans with sections dealing with employment. Are
there any major projects to increase employment? It is sometimes useful to mention specific projects, including their size.

**Coverage of laws and regulations**

Have you indicated who is covered by unemployment insurance, at least in approximate percentage terms and by type of workers? Note that percentage coverage can be indicated using the broad percentage ranges recommended by the ILO.

**Population growth and its implications for labour force growth**

Is a high or low population growth viewed as a problem in your country? If so, this is worth discussing, since it has a major effect on the labour supply, economy and labour market. In many developing countries, rapid growth in the labour supply makes it difficult to provide employment for the large number of new persons entering the labour force each year. Other developing countries benefit from the “demographic dividend” of a low dependency ratio that may follow a fall in the fertility rate. By contrast, in many high-income countries a slow or negative population growth is often viewed as a problem.

**Explain major changes in the employment-to-population ratio**

Has there been a major change in the employment-to-population ratio in recent years? If so, it is important to try to explain why. Is it due to changes in the male or female labour force participation rate, the size or distribution of the working-age population, an increase in the proportion of youth attending school rather than joining the labour force, a change in the retirement age, or rural-urban migration (when urban areas have lower labour force participation rates)?

**International migration**

Is international migration to or from your country important? For example, according to the Decent Work Country Profiles for Indonesia, Ukraine, the Philippines and Ukraine, many workers leave to find work in other countries. In Austria, by contrast, it is immigration that has been important.

**Employment opportunities by gender, rural and urban area and vulnerable group**

Have you reported and discussed differences in employment opportunities by gender, area and vulnerable group?

**Unemployment rate**

Have you indicated how unemployment is measured in your country? If it is measured using a labour force survey, household survey or census, how important are those described as “discouraged workers”? If it is measured using administrative records, how much lower is the
unemployment rate as measured believed to be compared to the unemployment rate if it had been measured using a labour force or household survey?

Unemployment rate by level of education

This can be reported as the unemployment rate for each level of educational attainment or else as the percentage distribution of the unemployed by education level. Each way of reporting casts a different light on unemployment. The first shows how unemployment rates differ by education level and, usually, that unemployment rates are higher among the educated. The second shows how the number of unemployed varies with education level and therefore in which education levels unemployed persons tend to be concentrated. The latter is affected by the relative number of adults at each level of educational attainment, and for this reason it is usually preferable to discuss unemployment rates by level of education (if only one of these indicators is reported). In a country with a low level of educational attainment, such as Bangladesh for example, most of the unemployed are uneducated (75 per cent have not completed secondary school according to Bangladesh’s Country Profile).

Youth not in employment and not in education

It is important to indicate the relative size of the components of this indicator, since it combines the inability to find work (i.e., unemployment) with economic inactivity within the labour force. What proportion of this indicator corresponds to unemployment and what proportion to the inactivity of young men and women within the labour force?

Informal employment

Have you indicated the size of the informal employment in your country? This is critical information for all aspects of decent work as it has major implications for the coverage of many statistical decent work indicators and legal framework indicators.

4. Suggestions for figures/graphs

Relationship between real growth in GDP per capita, employment growth and the employment-to-population ratio

Figure with variables indexed to time t=0, indexes on y axis, time on x axis.

The purpose of this figure is to see the extent to which economic growth has translated into employment growth.

Percentage of growth in the labour force attributable to changes in the number of employed men and women

Pie chart or figure with percentage on y axis, population age group-variable on x axis (by age groups 15-24, 25-64 and 65+ when these data are available).
The purpose of this chart or figure is to indicate the extent to which demographic factors and changes in labour force participation rates have contributed to growth in the labour force. For example, to what extent is growth in the labour force attributable to increasing female labour force participation rates? To what extent has labour force growth been slowed by decreasing youth labour force participation rates as school attainment increases?

**Employment opportunities by gender**

Figure with male-female ratios on y axis for different indicators of employment opportunities for earliest data year and latest data year.

The purpose of this figure is to observe differences in employment opportunities between men and women. Given the fairly large number of employment opportunity indicators, more than one figure may be necessary.

See the example of Figure 1 based on data from the Country Profile of the Philippines. It should be noticed that the employment-to-population ratio and the labour force participation rates are much higher for men than for women but have narrowed in past 15 years. Also, unemployment rates and youth unemployment rates are lower for women for whom they decreased between 1995 and 2010 while the unemployment rate for men during the same period. The rate of youth not in employment and not in education is much higher for women, essentially because their labour force participation rate is lower.

**Figure 1: Employment opportunities by gender, The Philippines, 1995-2010**

Notes:
M: Male, F: Female
Indicators are: Employment-to-population ratio, Labour force participation rate (LFPR), Unemployment rate, Youth unemployment rate, Youth not in employment and not in education or training (NENE), Share of wage employment in the non-agricultural sector, Percentage of own-account and contributing family workers.

**Source:** Decent Work Country Profile of the Philippines, 2012
Employment opportunities for major disadvantaged groups

The purpose of this figure is to observe the inequalities encountered by disadvantaged groups in employment opportunities for earliest data year and latest data year. Given the fairly large number of indicators with these data, more than one figure may be necessary.

See the example (Figure 2) based on data from the Country Profile of Brazil. Notice that there are fewer employment opportunities for Blacks than for Whites. Blacks have higher unemployment rates (overall unemployment rate and youth unemployment rate) as well as lower-quality employment opportunities (more informal economy employment). Also, there has not been much change in Black/White differentials between 1992 and 2007, whereas the employment-to-population ratio and labour force participation rates are similar for both.

Figure 2: Employment opportunities by race, Brazil 1992 and 2007

Indicators are: Employment-to-population ratio, Labour force participation rate (LFPR), Unemployment rate, Youth unemployment rate, Youth not in employment and not in education or training (NENE), Share of wage employment in the non-agricultural sector, Percentage of own-account and contributing family workers.

Source: Decent Work Country Profile of Brazil, 2009

Employment opportunities for rural and urban areas

The purpose of this figure is to observe differences between rural and urban areas as regards employment opportunities. Given the fairly large number of indicators with these data, more than one figure may be necessary.
See the example taken from the Country Profile for Bangladesh (Figure 3). Notice that the labour force participation rates and employment-to-population ratio are higher in rural areas and that the unemployment rates are lower in rural areas. The informal economy employment rate and the share of own-account and contributing family members in employment are higher in rural areas, while the share of regular employees is lower in rural areas. Over time there has been a large increase in informal economy employment in both rural and urban areas.

**Figure 3: Employment opportunities for urban and rural areas, Bangladesh 1999-2000 and 2010**

Indicators are: Employment to population ratio, Labour force participation rate (LFPR), Unemployment rate, Youth unemployment rate, Youth not in employment and not in education or training (NENE), Share of wage employment in the non-agricultural sector, Percentage of own-account and contributing family workers.

*Source:* Decent Work Country Profile of Bangladesh, 2012

**Unemployment rate by education level**

Bar chart with unemployment rate on y axis and education level on x axis, for earliest data year and latest data year (for 15-24, 25-64, 65+ age groups when data are available).

The purpose of this chart is to indicate how the unemployment rate varies with the level of education (and by age group when data are available).
Distribution of informal employment by component

Pie chart with percentage for each component of informal employment.

Informal employment encompasses: (i) own-account workers and employers who own an informal sector establishment; (ii) contributing family workers regardless of whether they work in formal or informal sector establishments; (iii) members of informal producers’ cooperatives; (iv) employees with informal jobs regardless of whether they work in formal or informal sector establishments; (v) paid domestic workers employed by private households; and (vi) own-account workers with a family farm producing goods mainly or exclusively for their own final use.

The purpose of this chart is to indicate the relative size of each component.

Distribution of employment by employment status

Figure or pie charts with percentage of employment by employment status.

The purpose of this figure or chart is to indicate the relative importance of different types of workers.

See the example from Indonesia (Figure 4). Notice that women are much more likely to be unpaid family workers and men much more likely to be employers, probably because of how family members working on family farms are seen in Indonesian society. Women and men have similar probabilities of being own account workers. Men are much more likely to be employees but not casual employees compared to women. There has been a large decrease over time in the proportion of women workers who are unpaid family workers accompanied by a large increase in the proportion of women workers who are employees and casual employees. For men, there has been a large increase over time in proportion of men who are casual employees.

Figure 4: Percentage distribution of employment status for male and female workers, Indonesia, 2001 and 2010

Source: Decent Work Country Profile of Indonesia, 2011
Chapter 3: Adequate earnings and productive work
1. Purpose of Chapter 3

For work to be considered decent, it has to be productive and provide workers with adequate earnings, which for most people is its most important characteristic. This is therefore a crucial chapter for assessing and monitoring progress towards decent work.

Promoting adequate earnings and productive work is a central feature of the Decent Work Agenda and the Millennium Development Goals, and the seven statistical indicators below are designed to help countries monitor progress towards this objective.

<table>
<thead>
<tr>
<th>Statistical decent work indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EARN-1. Working poor rate (M)</strong></td>
</tr>
<tr>
<td>This indicator gives the proportion of the employed population living in households that are classified as poor, i.e., that have consumption or income levels below a pre-determined national or international poverty line.</td>
</tr>
<tr>
<td><strong>EARN-2. Employees with low-pay rate (M)</strong></td>
</tr>
<tr>
<td>This indicator rate captures how many paid employees are working for low wages. It is defined as the proportion of paid employees whose hourly wages in all jobs amount to less than two-thirds of the median hourly wages of all employees.</td>
</tr>
<tr>
<td><strong>EARN-3. Average hourly earnings by occupation group (A)</strong></td>
</tr>
<tr>
<td>This indicator provides information on the remuneration of paid employees in specific occupations. The choice of the occupations depends on the country; the size of the occupational group is an important determining factor.</td>
</tr>
<tr>
<td><strong>EARN-4. Average real wages (A)</strong></td>
</tr>
<tr>
<td>This indicator captures the general evolution of wage income over time. It shows the arithmetical average of total monthly real earnings for employees for all jobs. Real wages are calculated by dividing nominal monthly wages by the CPI in order to control for changes in consumer prices over time.</td>
</tr>
<tr>
<td><strong>EARN-5. minimum wage as a percentage of the median wage (A)</strong></td>
</tr>
<tr>
<td>This indicator expresses minimum wages as a percentage of median monthly wages, in order to determine the level of minimum wages in relation to the overall pay structure.</td>
</tr>
<tr>
<td><strong>EARN 6. Manufacturing wage index (A)</strong></td>
</tr>
<tr>
<td>This indicator is used to measure the change in wage rates in the manufacturing sector (between the latest year and the last base year when the index equalled 100). Statistics on average wages in manufacturing are influenced by shifts in employment between different industries, and the index controls for changes in the structure of employment in order to isolate the effect of changes in wage rates.</td>
</tr>
<tr>
<td><strong>EARN-7. Employees with recent job training (A)</strong></td>
</tr>
<tr>
<td>This indicator provides information on the share of employees who have received job training in the last 12 months and is a measure of skills development provided by the employer.</td>
</tr>
</tbody>
</table>

Complementary indicators could be added, such as the low-pay threshold and the low-pay incidence rate (see Section 2.3).

The legal framework indicator corresponding to these statistical indicators is related to the minimum wage laws. Minimum wage is calculated either on the basis of time or output and
constitutes a level which may not be undercut. Its application is guaranteed by law. It should be determined taking into account the minimum needs of the worker and his/her family, in light of the prevailing national economic and social conditions.

**Legal framework indicator 4: Statutory minimum wage**

Adequate earnings are essential for the welfare of workers and their families, i.e., for decent work. Minimum wages may be set by law or by wages councils, ministerial orders or collective agreements. Generally speaking they set a lower limit for wages, and the wages paid in practice may be higher. As with other legal indicators, the minimum wage is likely to be paid only to workers in the formal economy, although it does form a basis for fixing wages even where no legal requirement exists.

**ILO standards on minimum wage**

There are three ILO Conventions on minimum wages: the Minimum Wage-Fixing Machinery Convention, 1928 (No. 26), which is now considered out of date but is still binding on a number of countries; the very similar Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99); and the more modern Minimum Wage Fixing Convention, 1970 (No. 131). None of these Conventions requires that minimum wages be set for all workers, but rather that a system be established “which covers all groups of wage earners whose terms of employment are such that coverage would be appropriate”, to be determined together with the employers’ and workers’ organizations of the country (Art. 1, Convention No. 131). The Conventions do not fix the minimum wages that should be paid, but Article 3 of Convention No. 131 does provide for a number of factors to be taken into consideration when setting the minimum wage:

*The elements to be taken into consideration in determining the level of minimum wages shall, so far as possible and appropriate in relation to national practice and conditions, include--*

a. the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups;

b. economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment.

In practice, minimum wages are based on many criteria, some of which should relate to the cost of living and the other factors mentioned. There is not always a single minimum wage, and different minima may be set according to the region, the occupation, and even the age of the workers concerned. Information on all the different minimum wages, if there are differences, should be assembled in deciding how this indicator is met.

As provided in the Conventions on the subject, minimum wages are not necessarily set for all workers, so it is necessary to determine for which workers they have been fixed. Minimum wages are especially useful for the lowest-paid workers, as they set a floor below which wages cannot be set. In most countries, however, they do not reflect the wages actually paid, and the statistics used for this chapter should show the wages actually paid according to a number of different classifications.

In many cases the wage paid in money is not the total remuneration, which is defined in another ILO Convention as including “the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker’s employment” (Convention No.
2. Discussion

Introductory paragraphs

It is generally recommended to begin the discussion of this chapter with a short paragraph about why wages and earnings are so important for decent work.

An important aspect of the indicators used in this chapter is that they are often representative of only certain types of workers. It must be borne in mind that statistics on earnings are often based on the wages of employees in larger formal establishments who are relatively well paid, a point that is especially important in low income countries with a large urban informal sector and subsistence agriculture.

Average wages

Average wages are a good place to begin a substantive description of earnings. The discussion should indicate how different population groups and areas of the country (men and women, Blacks and Whites, rural and urban) are faring. It is important to indicate how representative the wage data are, what type of workers are covered and excluded, and what this implies. Average earnings data may not be useful for measuring the extensiveness of low pay when self-employment is predominant. Nevertheless, even when average wages data are based on the wages of employees, they are still useful for understanding the situation of this important group of workers as well as for monitoring changes in wages over time and for observing differences in wages between geographic areas and population groups (Checklist 1-3, and Suggestion 1 for figures/graphs).

Though the indicator measuring average hourly earnings in selected occupations has not often been used by the pilot countries so far, this should be encouraged. One way to do this is to stress that selected occupations should include at least one large low-wage occupation dominated by women (such as domestic workers, salespersons or textile workers) and one large low-wage occupation dominated by men (such as unskilled construction workers or agricultural wage workers), while emphasizing that it will improve national assessments by showing how men and women earning low wages have been faring. This would make Country Profiles more meaningful and interesting to users.

The manufacturing wage index has rarely been used in Country Profiles to date (generally because of lack of data), and this indicator could be omitted so long as data on average earnings are not available.
Low pay and the working poor

The major concern of this chapter is low pay and the working poor. Decent work requires an “adequate living wage”, and the discussion here should address how common it is for workers to receive low pay and what type of workers are more likely to be working poor or to receive low pay. Note that the proportion of workers who are working poor differs from the proportion of workers who receive low pay, partly because the former is a household concept and measure whereas the latter is an individual worker concept and measure (see the ILO Manual on Decent Work Indicators, 2013). The proportion of working poor is not only affected by income from work; it is also affected by the household size and structure and the number of household members who work. Thus, for example, a worker with very low pay might not be among the working poor when the main breadwinner works on several jobs with low pay or when his/her spouse and children work and receive low pay. Conversely, a worker with high pay might be among the working poor when he/she has many dependents.

It is important to keep in mind that the low-pay rate is a relative measure of pay, since it is defined by the proportion of paid employees whose (hourly) wages in all jobs amount to less than two-thirds of the median hourly wages of all employees. In absolute terms, measuring the incidence of low pay should be based on the ability of workers to meet their basic needs in keeping with the ILO’s 2008 Convention, which calls for an “adequate living wage”. This would entail: (i) measuring the incidence of low pay based on the ability to meet basic needs; (ii) comparing the average wage and minimum wage with basic needs; and (iii) observing changes in the incidence of low pay as the country develops. Suggestions could be made for developing: (i) a low-pay rate threshold, defined as equal to the national per capita poverty line times a factor of 2.5 to take into account the need for workers to support dependents (e.g., children and possibly non-working spouse and parents); and (ii) a low-pay incidence rate, defined as the percentage of workers who receive less than the low-pay rate threshold.

Although the (relative) low-pay rate indicator is useful for identifying types of workers with relatively low pay, it does not reveal the incidence of unacceptably low pay or monitor progress towards decent pay. This is because the indicator is a fixed percentage of median earnings (two-thirds of median earnings), which means that its value is always much lower than 50 per cent and can only change when the distribution of earnings changes. It also means that the relative low-pay rate would be similar in rich and poor countries with a similar earnings distribution and would remain fairly stable even when real average pay rises sharply.

Note that the proportion of workers who are working poor differs from the proportion of workers who receive low pay, partly because the former is a household concept and measure whereas the latter is an individual worker concept and measure (see the ILO Manual on Decent Work Indicators, 2013). The proportion of working poor is not only affected by income from work; it is also affected by the household size and structure and the number of household members who work. Thus, for example, a worker with very low pay might not be among the working poor when the main breadwinner works on several jobs with low pay or when his/her spouse and children work and receive low pay. Conversely, a worker with high pay might be among the working poor when he/she has many dependents.

Workers need to earn enough to support other persons as well as themselves, and the living wage is therefore a family concept. A factor of 2.5 is suggested as this is the approximate dependency-to-worker ratio in many developing and developed countries where female labour force participation rates are high and fertility rates are low; an additional margin of around 10 per cent is needed to ensure a sustainable ability to avoid lifelong debt in the event of emergencies. The multiplier could be as low as 2.3 if the assumption is made that each worker has to support himself/herself and one child (in order to maintain the country’s population). Alternatively, the multiplier could be country-specific and take into consideration (i) the number of children that women typically have and child mortality, and (ii) the proportion of adults who work, including those who work part-time. In sub-Saharan Africa where both female labour force participation rates and fertility rates tend to be high, the multiplier would probably be around 4. In the Middle East and other countries where female labour force participation rates tend to be low and fertility rates to be high, the multiplier would also be around 4 (see Anker, R. 2011. Estimating a living wage: A methodological review, Working Paper, Geneva, ILO).
Minimum wage

A statutory minimum wage is an important policy option for influencing wages, especially low wages, and the minimum wage is therefore a valuable tool for alleviating poverty and for improving gender equity, because women are more likely than men to earn low wages. Discussion should begin with the coverage of minimum wage laws and the types of workers covered. It is important also to consider collective bargaining agreements that set minimum wages for certain sectors or large numbers of workers.

The discussion should look at how high the minimum wage is in terms of the average wage and low-pay rate threshold (if measured), so as to illustrate the extent to which the minimum wage is able to help workers meet their basic needs. It should also look at how well the minimum wage has kept its real value over time (Checklist 7-8, and Suggestions 3-5 for figures/graphs).

Linkages and relationships between indicators on earnings and other indicators

It is important to analyse relationships between indicators on earnings and other indicators. An important issue worth analysing in all countries is the extent to which changes in wages are related to changes in GDP per capita and labour productivity.

Does increasing per capita income, labour productivity and economic development translate into higher real wages as one would expect? If not, why not? What has happened to real wages? For countries with a deteriorating economy, have wages and/or labour productivity suffered?

Another important issue (addressed more fully in Chapter 4: Decent working time) is whether the incidence of low-pay rate is associated with excessive hours of work, since workers with low-pay rates may work longer hours in order to meet their basic needs (Checklist 9, and Suggestions for figure/graphs 6-7).

Policy options

The discussion should focus on possible policy options for improving wages, especially for lower-wage workers. A statutory minimum wage is not the only way of influencing the level of wages; there are also policies to improve human capital and labour productivity, such as training and job placement, and other active labour market policies. It is worth discussing the coverage, quality and cost of public health care for workers since, although health care is not a labour market variable, it has a major effect on whether wages and income from work are sufficient for meeting workers’ basic needs (Checklist 10-11).

Summary and conclusions

A short summary should be provided of the main findings and conclusions regarding this aspect of decent work.
3. Checklist of issues that should be considered

Differences by gender, area and disadvantaged group

The tables, figures and discussion should show how indicators differ by gender, area and disadvantaged group. At the very least, they should report differences between men and women and rural and urban areas.

Rural-urban differences in cost of living

When comparing average wages between rural and urban areas (or regions/provinces), it is important to take into consideration differences in living costs to the extent they are known, since living costs are typically lower in rural areas, especially in developing countries. If data are not available on the difference in the cost of living between rural and urban areas, this should at least be mentioned in the discussion if it is felt to be important.

Workers covered by wage data

The type of workers covered by the data on wages must be indicated in this chapter. It is important to mention (i) if particular types of workers are not covered by the data, such as the self-employed (own-account workers and unpaid family workers) and workers paid and employed in informal sector establishments, and (ii) to what extent the data on wages exclude workers with relatively low incomes.
Is the national poverty line high enough to meet basic needs?

It is important to know if the poverty line used to estimate the poverty rate and the working poor (and possibly the low-pay rate threshold) is a realistic basis for the estimations. Is the poverty line high enough to provide a sufficient income for workers to meet their basic needs? One must always bear in mind that national poverty lines are sometimes set unrealistically low, especially for cities; and the World Bank's $1.25 and $2.00 per day poverty lines are intended for international comparisons of poverty and not for measuring poverty in specific countries. The discussion should also explain whether there are separate rural and urban (or regional/provincial) poverty lines that take into consideration differences in living costs.

Wages of selected low-wage occupations

The usefulness and interest of Country Profiles can be enhanced by reporting on how workers in one or two large low-wage occupations for men and women are faring.

Reference period for measuring pay rates

Is the relative low-pay rate indicator based on monthly, weekly or hourly data? This is relevant because incidence rates for this indicator will differ with the reference period. For longer reference periods the amount of time worked becomes important in addition to the hourly pay rate.

Which workers are covered by minimum wages?

Minimum wage laws never apply to all workers. For example, they often exclude workers in smaller enterprises and in any case they are not as such relevant for self-employed and unpaid family workers. Also, because of the difficulty of enforcement, minimum wages are not generally applied effectively to workers in informal jobs. It is important that the discussion take this into consideration and indicate the effective coverage of minimum wages.

Collective bargaining and minimum wages

Some countries have collective bargaining agreements that set minimum wages for large numbers of workers. If such agreements are important in the country concerned, they should be discussed (in line with Chapter 11: Social dialogue, workers’ and employers’ representation).

Economic growth and wage rates

Economic growth is expected to be accompanied by increased wages. It is therefore worthwhile analysing whether economic growth has indeed translated into higher wages for workers, especially for low-paid workers and workers who are known to be disadvantaged in the labour market (see the suggestions for figures that would help in analysing this aspect).
Policies to increase wages and earnings

Various policies can help increase wages and earnings. Are any of the following policies important in your country: vocational training; adult literacy; improved infrastructure to increase labour productivity; farm extension services to increase productivity on small farms, minimum wage law reforms, and so on?

Public health care, social transfers and low wages

Free or low-cost public health care reduces the pay rate required for workers to meet their basic needs, since it removes an important item of expenditure for workers, which is especially important for low-wage workers. Therefore, a brief discussion of the public health care system and its availability and the quality and cost of health care for individuals is warranted (in line with Chapter 10: Social security). Because transfers to the working poor and to low-wage workers can be important, they should be mentioned in the Country Profile.

4. Suggestions for figures and graphs

Wage differentials for important groups and areas

To observe differences in average wages between different groups and areas (e.g., men and women, rural and urban, or according to race), it is useful to include a figure that compares average wages for groups and areas. This could be done effectively by means of a bar chart comparing each group or area (e.g., bars for earliest data year and latest data year for each group or area). For instance, a bar for the average wage for men and women in the year 2000 could be followed by a bar for 2010, a bar for men and women in rural areas by a bar for urban areas, or a bar for Black workers by a bar for White workers.
Incidence of a low-pay rate for important groups and areas

To observe differences between groups, it would be useful to include a figure that compares low-pay rates (and possibly low-pay incidence rates) for groups and areas (men and women, rural and urban, or according to race). This could be done by means of a bar chart with bars for each group and year being compared. For example, a bar for the low-pay rate for men and women in 2000 could be followed by a bar for 2010; similar bars could be used for other comparisons, such as rural and urban, Black and White.

Is the minimum wage sufficient for workers to avoid being among the working poor?

To observe the minimum wage in relation to workers’ basic needs and to how it has been changing, a figure comparing the minimum wage to the low-pay rate threshold would be useful (time on the x axis, and either the ratio of the minimum wage to the cost of basic needs on the y axis or both the minimum wage and the cost of basic needs on the y axis).

How well has the minimum wage kept its real value?

In countries with a fairly high inflation rate, it is worth looking at the extent to which the statutory minimum wage has retained its real value over time (figure with minimum wage and real minimum wage plotted with time on the x axis, values in local currency on the y axis).

How high is the minimum wage relative to prevailing wages?

To observe the minimum wage in terms of prevailing wages, a graph could be included that compares the real value of the minimum wage, the average wage and pay in selected low-wage male and female occupations over time. Alternatively, it would be possible to use the ratio of the minimum wage to the average wage and to wages in low-wage occupations.

Relationship between economic growth and growth in labour productivity and wages. How well has economic growth translated into higher wages?

To assist in analysing the extent to which wages have increased with increases in GDP per capita, labour productivity and economic development, it would be useful to include a graph that compares trends in real GDP per capita, real labour productivity and real average wages.

Figures 1, 2 and 3) are based on data from the Philippines. All three figures show that GDP per capita and labour productivity grew in tandem, but the average wage fell. Notice how much better the second and third figures show this key result compared to the first figure. Figure 1 is not as clear because of differences in scale, as GDP per capita is three to four times greater than the other two indicators. Figure 2 indexes values to 2001.
Relationship between economic growth and wages in low-wage occupations. To what extent has economic growth translated into higher wages in low-wage occupations?

To assist in analysing the extent to which increases in GDP per capita and labour productivity that occur as a country develops helps to improve the wages of low-paid workers, it is useful to include a graph that compares growth in real GDP per capita and labour productivity over time with growth in real average wages of selected low-wage male and female occupations. The graph would be similar to Figures 1 and 2 below, except that it would use the wages of selected low-wage occupations instead of the average wage.

Figure 1: Relationship between GDP per capita, labour productivity and average wage, Philippines, 2001-2010

Note: PhP : Philippines Pesos
Source: Decent Work Country Profile of the Philippines, 2012
Figure 2: Change in real GDP per capita, real labour productivity and real average wages indexed to 2001, Philippines 2001 - 2010

Source: Decent Work Country Profile of the Philippines, 2012

Figure 3: Relationship between real average wage, real GDP per capita and real labour productivity, Philippines, 2002-10 (in thousands of peso)

Source: Decent Work Country Profile of the Philippines, 2012
Chapter 4: Decent working time
1. Purpose of Chapter 4

Adequate working time arrangements are an essential facet of decent work and are measured by several indicators. Two types of indicators are included: (i) those that provide information on employment by working-time bands or on a lack of work relative to a working-time threshold, and (ii) those that focus on measures of time worked by employed persons, i.e., the hours worked. The two sets of measures complement each other in illustrating the number of employed persons working long or short hours and the hours actually worked per person employed.

Thus, excessive hours affect health and well-being negatively. Involuntary time-related underemployment indicates a shortage of available work. The number of days of annual paid leave affects workers’ well-being.

Five statistical indicators are proposed within the ILO framework on the measurement of decent work, including an indicator on paid annual leave that the ILO is to develop. Whenever possible, these indicators should be disaggregated by gender so that differences between the working time of men and women can be analysed.

<table>
<thead>
<tr>
<th>Statistical decent work indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME-1. Employment in excessive working time (more than 48 hours per week) – (M)</td>
</tr>
<tr>
<td>This indicator provides information on the share of employed persons whose who actually work more than 48 hours per week.</td>
</tr>
<tr>
<td>TIME-2. Employment by weekly hours worked – (A)</td>
</tr>
<tr>
<td>This indicator provides information on the distribution of employed persons according to their weekly hours actually worked. This indicator is also an indirect measure of how much time employed people can dedicate to other activities, e.g. household work, family, leisure and recreation, and self-development.</td>
</tr>
<tr>
<td>TIME-3. Average annual working time per employed person – (A)</td>
</tr>
<tr>
<td>This indicator is a measure of the aggregate level of labour utilization in an economy in terms of the working time of employed persons. It is defined as the total number of hours actually worked of all employed persons in a year given as a percent of the total average number of employed persons during the year.</td>
</tr>
<tr>
<td>TIME-4. Time-related underemployment rate – (A)</td>
</tr>
<tr>
<td>Percentage of employed persons who worked less than a specified threshold of hours during the reference period and were willing and available to work more hours than they did in their job(s). This indicator is a measure of labour underutilization that provides information regarding the share of employed persons who are willing and available to increase their working time (for production within the SNA production boundary) and worked fewer hours than a specified time threshold during the reference period. It signals inadequate employment and complements other indicators of labour slack and labour underutilization such as the unemployment rate and discouraged workers.</td>
</tr>
<tr>
<td>TIME-5. Paid annual leave – (F)</td>
</tr>
<tr>
<td>To be developed by the ILO</td>
</tr>
</tbody>
</table>

The legal framework indicators corresponding to these statistical indicators are “Maximum hours of work” and “Paid annual leave”.

*Maximum hours of work*: the number of daily and weekly hours in excess of which any time worked is remunerated at overtime rates. The reason for limiting hours of work is to preserve the
workers’ health and well-being and to ensure their productiveness and motivation. While this indicator focuses specifically on maximum hours of work, it is essential to look also at the daily and weekly rest periods and annual leave in order to have a better perspective on working time. 

**Paid annual leave** refers to the period during which a worker is off work while continuing (i) to receive an income and (ii) to be entitled to social protection. Other forms of paid leave, which are not considered annual leave, include public holidays, sick leave and maternity and parental leave. Here again, the purpose of annual leave is to preserve workers’ health and well-being and to ensure their productiveness and motivation.

### 2. Discussion

**Introductory paragraph**

It may be best to begin this chapter with a brief discussion on why working time is an important aspect of decent work.

**Laws and regulations**

The introductory paragraph should be followed by a discussion of national laws and regulations on working hours, as well as collective bargaining agreements. Reference should also be made to relevant ILO Conventions and to whether or not they have been ratified.

The discussion of the legal framework for working hours should generally have considerable be quite detailed, except for seasonal work, temporary periods of work and certain sectors or occupations (e.g., mine workers in Zambia often work 12-hour days for seven consecutive days and then get four days’ leave). In high-income and transition economy countries, laws on job sharing and temporary reductions in the maximum hours of work allowed are relevant and should be described. The discussion also needs to indicate the effective coverage of laws and regulations and whether there are sectors and/or groups of workers that are not effectively covered. Some information on the situation in comparable countries would give more perspective to the account (Checklist 1-3).

A statistical analysis of working hours should next be made on the basis of the decent working time indicators. In doing so, it is important to consider the scope and coverage of the indicators and the interpretation of some of the general issues they may raise.
Legal framework indicator 5. Maximum hours of work

Maximum hours of work should be fixed for all workers, even though the relevant ILO standards do not cover all categories of workers.

ILO standards on maximum hours of work

The Hours of Work (Industry) Convention, 1919 (No. 1), and the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30), are the most relevant ILO Conventions.

Convention No. 1, which applies to industrial workers, provides for a maximum of 8 hours of work a day, and 48 hours a week (56 hours a week if there is continuous work in shifts). Averaging working hours over a period of time is possible, for instance if there are periods when the needs of a business require that workers put in longer hours, provided that over a limited period the average number of hours worked does not exceed the maximum allowed.

Convention No. 30 applies to persons employed in the commerce and office sectors. It is similar to Convention No. 1 and allows 8 hours a day and 48 hours a week, with some flexibility if work does not exceed 10 hours a day. It also allows flexibility in cases of force majeure (i.e., external factors beyond the employer’s control), for local holidays and in the event of an accident. Temporary or general exceptions may be adopted.

The Country Profile should cover all workers, and for this it may be necessary to consult a wide variety of laws and regulations. Neither of the ILO Conventions referred to above includes workers employed in agriculture and in maritime, fisheries or domestic services in its scope, but separate ILO instruments have been adopted that apply to all these categories. In many countries there are some occupations (for example, domestic work and work in agriculture) that are not covered by labour legislation. The Domestic Workers Convention (No. 189) adopted by the ILO in 2011 provides that hours of work for these workers should be regulated, and that Governments “shall take measures towards ensuring equal treatment between domestic workers and workers generally in relation to normal hours of work, overtime compensation, periods of daily and weekly rest and paid annual leave in accordance with national laws, regulations or collective agreements, taking into account the special characteristics of domestic work.’ (Article 10(1))

Other workers for whom laws other than those generally applicable are often adapted include workers in commercial seafaring, fisheries and agriculture.

Where workers do work longer than the statutory maximum number of hours in a day, they are normally entitled to higher pay for overtime.

Related provisions in national law (and in ILO standards) usually provide for a minimum number of hours of rest between working periods (which should be longer for young workers) and for at least one day off each week.

The statistical indicators can permit an assessment of whether or not the maximum hours are respected. If the statistics show that in some industries the maximum number of hours a week is regularly exceeded, this may call for more stringent law enforcement or be a reason to engage in collective bargaining.
Chapter 4: Decent working time

PART ONE

LEGAL FRAMEWORK INDICATOR 6. PAID ANNUAL LEAVE

Legal framework indicator 6. Paid annual leave

Paid annual leave refers to the period during which a worker is off work while continuing (i) to receive an income and (ii) to be entitled to social protection. Other forms of paid leave, which are not considered annual leave, include public holidays, sick leave and maternity and parental leave. The aim of annual leave is to preserve workers’ health and well-being and ensure their productiveness and motivation. It is usually provided for in national law, but workers not covered by the legislation may also be protected by collective agreements, which may call for paid annual leave above the legal minimum.

ILO standards on annual leave

Under the Holidays with Pay Convention (Revised), 1970 (No. 132), every person to whom the Convention applies shall enjoy at least three working weeks of annual paid holiday for one year of service. The Convention applies to all employed persons other than seafarers, who are dealt with in the Maritime Labour Convention, 2006. The ILO Conventions on this subject do not cover all workers, but all those who work in a country should have paid annual leave even if the ILO standards do not apply directly.

It is possible that persons who are in a working relationship other than conventional employment are not covered by national labour laws, and of course those in the informal economy may be covered in law but not in practice. Special measures may therefore have to be taken to ensure that these workers also have the right to paid leave, whenever appropriate. Reference may be made to the Employment Relationship Recommendation, 2006 (No. 198), for the characteristics of an employment relationship (see legal framework indicator 2 above).

Scope and coverage of the decent working time indicators

Indicators of employment in excessive working time and time-related underemployment can reveal shortcomings in the quality of employment. Both these dimensions of working time are direct measures of possible problems as regards decent working time. The first one (excessive work hours) is typically associated with low-pay rates, economic stress, unsafe workplaces and unhealthy lives. The second (time-related underemployment) is associated with a shortage of work opportunities and therefore low incomes, economic stress and poverty.

The average number of annual hours worked per employed person measures the volume of time worked and serves as a more refined indicator of labour input for a given year than total average annual employment. Average hours worked is a useful concept for looking at changes in how well the economy has been able to generate work opportunities in recent years. It is not a direct measure of decent work.

The source of the data source for work hours often determines the type of workers covered, and it is therefore important to mention the sources and to indicate what this implies in terms of the workers and working hours reflected in the data. When labour force surveys are used all workers are covered, whereas in the case of establishment surveys or administrative records only certain types of workers are covered, such as employees in large formal establishments. The Country Profile should note whether the data are based on hours worked in the main job only or in all work activities combined. In many Country Profiles (that of Indonesia, for instance) the average
weekly or monthly hours worked per employed person is preferred to the annual average because of the data that are available.

**Interpretation of decent working time indicators: General issues**

The interpretation of excessive hours and time-related underemployment values depends on whether one is analysing current levels or recent changes:

Levels often point to structural problems and long-standing shortcomings in decent work, such as a high percentage of workers working excessive hours in order to make ends meet or a high percentage who have difficulty finding work and involuntarily work fewer hours than they wish.

Recent changes in the indicators may be due to business cycles, economic crises and other short-term economic developments and not to structural changes. The analysis and discussion of current levels and recent changes in decent working time indicators can thus provide useful insights.

The interpretation of these indicators should be analysed jointly with related decent work indicators, both qualitative (e.g., normal hours of work defined in national legislation and paid annual leave) and quantitative (employment and earnings indicators, context indicators such as GDP growth and labour productivity defined by using a working time variable for labour input, indicators on combining work, family and personal life, working time indicators for child labour, indicators of stability and security of work including precarious employment and working time, etc.).

**Excessive hours**

It is generally best to begin with recent changes in excessive working hours, i.e., the percentage of people working more than the 48 hours per week specified in ILO Convention No. 1 and the percentage working more than usual maximum number of hours per week allowed in national laws and collective agreements. The discussion should indicate how incidence rates of excessive hours vary for different groups and areas, as well as by employment status when data permit. Occupations and sectors where excessive work hours are unusually high should also be noted.

The discussion should make it clear what type of workers the data cover and how this affects their interpretation. For example, if data cover only the main jobs of formal sector workers, the incidence rates may be substantially lower than for all wage workers.

Where possible, reasons should be given for differences observed between groups and areas. Temporary or seasonal factors may be important, and possible linkages to low pay, poverty and economic growth are worth investigating (Checklist 4-6, and Suggestions 1-3 for figures/graphs).

Questions to be asked might include:

- Is the incidence of excessive hours related to low pay and poverty? Are the working poor and workers with low pay more likely to work excessive hours in order to meet their basic needs? (Suggestion 2 for figure/graphs).

- Is the incidence of excessive hours related to economic growth and labour demand? Is it positively or negatively related or is it mainly a structural problem? (Suggestion 3 for figure/graphs).
Average hours worked and time-related underemployment

Data on average hours worked and time-related underemployment should generally be analysed together. Average hours worked is useful for observing labour slack and understanding labour market conditions during business cycles and economic crises. Time-related underemployment, while also useful, often suggests a structural problem and, when it is involuntary, is a direct indication of a decent work problem as it points to the possibility of earning a decent income. As usual, differences between areas, groups, occupations and sectors should be discussed where relevant (Checklist 4-6, and Suggestions 4-5 for figures/graphs).

Possible linkages to low pay, working poverty and economic growth are worth investigating such as:

- Is the incidence of time-related underemployment related to low pay and poverty? Are the working poor and workers with low pay more likely to be underemployed? (Suggestion 4 for figure/graphs).

- Is the incidence of time-related underemployment related to economic growth and labour demand? Is it positively or negatively related or is it mainly a structural problem? (Suggestion 5 for figure/graphs).

Paid annual leave and public holidays

Information on the number of days of paid annual leave and the number of public holidays should be analysed together. Attention must be paid to which types of workers, occupations and sectors are covered, and to the extent to which workers with casual contracts or no contract are paid for working on public holidays (Checklist 7).

3. Checklist of issues that should be considered

Coverage of laws and regulations

Have you discussed the effective coverage of laws and regulations and important exceptions provided for in the law? For example, are certain occupations or sectors of the economy, or types of enterprises or types of work contracts exempted? What types of workers are not effectively covered in practice? What proportion of workers do laws and regulations cover in theory and in practice?

Collective bargaining agreements on work hours

Are any collective agreements concerned with maximum hours of work and paid annual leave? If so, they should be noted and referred to in this chapter.

Laws and regulations in similar countries as a reference point

Are the laws and regulations in your country similar to or different from those in comparable countries?
Workers represented by statistical indicators on decent working time

Have you indicated the coverage of the statistical data used for different decent working time indicators, and the extent to which the data cover workers with lower pay and earnings?

Differences for groups, areas, sectors and occupations

Have you discussed differences in the incidence of excessive hours by gender, area and the vulnerable groups identified in Chapter 1? Have you indicated occupations and/or sectors that are unusual as regards excessive work hours?

Reasons for differences in work hours

Have you explained the possible reasons for the observed differences in current levels and recent changes in hours worked between men and women, rural and urban areas and vulnerable groups?

Types of workers with paid annual leave and official public holidays

It is important to indicate what type of workers are paid for official public holidays and receive paid annual leave, and in which occupations and sectors, since this is likely to differ widely from one occupation, sector, area and group to another.
4. Suggestions for figures/graphs

**Incidence of excessive hours worked, by sex, employment status, age, area, etc.**

Bar chart of incidence of excessive work hours, by gender, area, vulnerable group and employment status for earliest year(s) and latest year(s).

**Relationship between the incidence of excessive work hours, working poverty and low pay**

Bar chart with bars for poverty rates and low-pay rates for workers with excessive hours and workers without excessive work hours, when special tabulation is possible. Otherwise, graph with year on x axis, excessive work hours incidence rate, poverty rate and low-pay rate on y axis. The purpose of this chart or graph is to learn if the working poor and workers with low pay are more likely to work excessive hours to meet their basic needs.

**Relationship between the incidence of excessive work hours and economic growth**

Graph with year on x axis, excessive work hours incidence rate and annual real economic growth rate on y axis. The purpose of this graph is to learn if the incidence of excessive hours worked is positively or negatively related to economic growth and labour demand or if it is mainly a structural problem.

**Relationship between the time-related underemployment rate, change in average hours worked and economic growth**

Graph with year on x axis, time-related underemployment rate, percentage change in average hours worked and annual real economic growth rate on y axis. The purpose of this graph is to learn if the incidence of excessive hours worked is positively or negatively related to economic growth and labour demand or if it is mainly a structural problem.

**Relationship between time-related underemployment, working poverty and low pay**

Bar chart with bars for poverty rates and low-pay rates for underemployed workers and other workers, when special tabulation is possible. Otherwise, graph with year on x axis, time-related underemployment rate, poverty rate and low-pay rate on y axis. The purpose of this chart or graph is to learn if working poor and workers with low pay are more likely to be underemployed.
Chapter 5: Combining work, family and personal life
1. Purpose of Chapter 5

Reconciling work, family and personal life is a major concern of workers and has recently become an important policy issue in many countries. It has always been important for gender equity, because women around the world are responsible for a disproportionate share of child care, elder care and household work.

Combining work, family and personal life comprises a small set of decent work indicators related to fundamental principles and rights at work and social protection. Two statistical indicators have been identified as future indicators on which developmental work is to be done by the ILO: (i) asocial or unusual hours, and (ii) maternity protection. The legal framework indicators corresponding to the statistical indicators are: (i) maternity leave (including weeks of leave and rate of benefits), and (ii) parental leave.

Several countries have developed statistical indicators to measure this dimension, such as the average weekly hours spent on housework and in the main job (if time-use data are available), or the relative number of women on maternity leave as a percentage of the registered number of employees, or the share of the economically inactive population performing household duties, caring for children and sick and other family members, or the economic inactivity rate attributable to household/family duties (see Box 5).

It is suggested that the labour force participation rates for women of childbearing age (base age range: 20-49 years) be used, with possible national adjustments to the age range, as well as the labour force participation rates for women with and without children below school age, when available, in order to measure of how frequently women combine work and child care (see the earlier discussion of interpretation issues).\(^{21}\)

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Box 5. Pilot experiences of measuring the “Combining work, family and personal life” dimension of decent work

Some pilot countries have developed interesting indicators for the initial analysis of Combining work, family and personal life.

**Austria**

In Austria two statistical indicators have been used from census and labour force surveys:
1. persons working part-time because of child-care or nursing care responsibilities, as a percentage of the total employed population (15 years old and above), disaggregated by sex;
2. persons not employed who have a general desire to work but are not actively seeking employment because of child-care or nursing responsibilities, as a percentage of those who are not employed, disaggregated by sex.

**Brazil**

In Brazil, two statistical indicators have been used in preparing the Country Profile:
1. home-to-work commuting time, as a percentage by time band, disaggregated by sex;
2. average weekly hours spent on housework and in the main job, disaggregated by sex.

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\(^{21}\) Note that the data required for this indicator are available for all countries (United Nations reports on population by sex and five-year age group for all countries and in ILO reports on the labour force by sex and five-year age group for all countries.)
Brazil has also identified four additional statistical indicators that are being further developed:

1. access to child-care facilities: percentage of employed women aged 16 years and above with children up to 3 years old as a percentage of total employed women and by frequency of child-care use;
2. administrative records of maternity leave (social insurance) and corroboration with household survey data on fertility and the labour market: maternity leave beneficiaries granted job leave as a percentage of employed women of childbearing age who have had children over the past year;
3. family arrangements: percentage distribution of families by type of family living arrangements;
4. family care (restriction of activities): percentage of persons that have had difficulty in carrying out basic activities (eating, walking, etc.) because of health problems (targeting the demand for personal care in households, which is increasing due to the aging of the population).

Indonesia

In Indonesia four statistical indicators have been used from different sources:

1. coverage of workers by maternity leave benefits (number of men and women who have benefitted from paternity/ maternity leave, and their proportion as a percentage of informal workers and formal workers, from specific surveys at the provincial level;
2. informal and casual employment rates and the proportion of workers with excessive working hours, because of its direct implications for the allocation of time to family and private life;
3. female labour force participation rate;
4. commuting time between home and work, because of its impact on the time allocated to family and personal life (proportion of workers with less than 30 minutes of commuting time, between 31 and 60 minutes and more than 60 minutes, by sex and marriage status), from a specific study on metropolitan areas in Indonesia.

Philippines

In the Philippines three statistical indicators have been used from labour force surveys:

1. economic inactivity rate because of household/family duties (percentage of working age population, by sex and age bands), which measures the segment of the working-age population who are voluntarily or involuntarily outside the labour force, owing to their household/family duties, e.g., taking care of young children or the elderly;
2. proportion of the employed who are married (percentage of employed, by sex and age bands), which measures the proportion of the employed who are doubly burdened as workers and as family members;
3. proportion of the employed who are household heads (percentage of employed, by sex and age bands), which measures the proportion of the employed who are doubly burdened as workers and as family members.

Ukraine

In Ukraine five statistical indicators have been used to measure this dimension of decent work:

4. (i) relative number of workers on leave to care for a child until attainment of a statutory age, as a percentage of the registered number of employees;
Main focus

The main focus of discussion in this chapter should be on laws and policies to help workers with family responsibilities to combine their working, family and personal life successfully. This includes laws on maternity leave, paternity leave and parental leave (ILO legal framework indicators), as well as laws and policies related to child care, family leave, flexible hours, breastfeeding, etc., which largely determine the environment of “family-friendly” workplaces. One reason for the strong emphasis on the legal framework here is the paucity of statistical indicators on “Combining work, family and personal life” dimension.

Introductory paragraph

As usual, it is useful to begin the discussion by explaining that this aspect of decent work – being able to combine working, family and personal life successfully – is an important aspect of decent work, especially important for women.

Legal framework and family friendly policies

Since the possibility of reconciling these three aspects of a worker’s life depends very much on the extent to which workplaces, the labour market and social policies take the family into consideration, it makes sense for the discussion to start with the country’s laws and policies.

Broadly speaking, there are three types of family friendly employment and social policies: (i) job protection when a worker needs to be absent from work for an extended period for major family events, such as the birth of a child, child care and care of the elderly; (ii) short term day-to-day job protection to accommodate contingencies such as family emergencies, sickness and breastfeeding; and (iii) monetary or in-kind benefits to cover major facets of family life such as maternity, child birth and child care. The discussion should cover all relevant laws and policies.

The two legal framework indicators that are relevant to combining work, family and personal life are “Maternity leave” and “Parental leave” (Checklist 1 and 2):

Maternity leave provides women with time off work, before and after childbirth, to prevent harm to themselves and to their unborn child and to allow them to recover from childbirth and nurse
their child. The aim of maternity leave is to allow women to combine their reproductive and productive roles. It is, with measures to protect expectant mothers and women on maternity leave from dismissal (see the legal framework indicator “Termination of employment” in Chapter 7), which are essential to equality of opportunity and treatment.

Parental leave refers to longer periods of leave for either or both parents (or adoptive parents), to be taken after maternity and paternity leave. It offers qualifying parents the right to take time off work to look after their child and helps them to strike a better balance between their work and their family responsibilities.22

Legal framework indicator 7. Maternity leave

Maternity leave provides women with time off work, before and after childbirth, to prevent harm to themselves and to their unborn child and to allow them to recover from childbirth and nurse their child. In a number of countries maternity leave extends also to adoption. Normally, women receive some or all of their wages during maternity leave and are entitled to return to work at the end of this time. Women should not be subject to dismissal either because they are pregnant or because they have had a child. The aim of maternity leave is to allow women to combine their reproductive and economic roles. It is, along with other measures protecting against the dismissal of expectant women and women on maternity leave (see legal framework indicator 10), one of the essential means of achieving equality of opportunity and treatment between men and women. The reasoning is not that there should be privileges for women that do not apply to men but, rather, that women should not have to bear alone the burden of fulfilling the social role of reproduction.

In many cases the law contains separate provisions applying to civil servants and other special categories of workers to whom the Labour Code does not apply, but certain categories (domestic workers and those working in agriculture, for instance) are sometimes not covered. Women in the informal economy or in atypical forms of employment are usually not entitled to maternity leave by law, but measures should be taken to ensure that they too benefit from paid maternity leave.

Selected ILO standards on maternity leave

The Maternity Protection Convention, 2000 (No. 183), is the most up-to-date Convention on maternity protection; earlier instruments on the same subject (the Maternity Protection Convention, 1919 (No. 3) and the Maternity Protection Convention (Revised), 1952 (No. 103)) are, however, still in force in certain countries. Maternity protection is broader than maternity leave and, in addition to maternity leave, covers health protection, leave in case of illness or complications, cash and medical benefits, employment protection, non-discrimination and breastfeeding.

Regarding maternity leave, Convention No. 183 “applies to all employed women, including those in atypical forms of dependent work”. It provides for a minimum of 14 weeks of maternity leave for women to whom the instrument applies; Recommendation No. 191, which was adopted at the same time, recommends that maternity leave be extended to 18 weeks. Women on maternity leave are entitled under the Convention to a cash benefit which ensures that they can maintain themselves and their child in proper conditions of health and with a suitable standard of living (no less than two-thirds of their previous earnings). Convention No. 183 states that benefits are to be provided through compulsory social insurance or public

22 See the ILO manual, op.cit.
funds, or in a manner determined by national law and practice; however, an employer may be liable to the cost of maternity cash benefits (i) where the employer explicitly agrees to do so, (ii) where such liability was provided for in national law or practice prior to the date of adoption of the Convention, or (iii) where such liability is subsequently agreed upon by the Government and the representative organizations of employers and workers.

Convention No. 3 applies only to women employed in public or private industrial or commercial undertakings. It provides basic protection inter alia by entitling women to 12 weeks of maternity leave with cash benefits. Convention No. 103 extended the scope of the protection to more workers. Part VIII of the Social Security (Minimum Standards) Convention, 1952 (No. 102), provides for periodical payments as part of the social security regime, corresponding to at least 45 per cent of the reference wage.

This legal framework indicator is linked to indicators on equality of opportunity and treatment, as it is intended to remove the discrimination that women may encounter because they bear children.

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**Legal framework indicator 8. Parental leave**

Parental leave refers to periods of leave for either or both parents (or adoptive parents), independently of maternity leave. It offers qualifying parents the right to take time off work to look after their child and can help them strike a better balance between work and family responsibilities. Provisions along these lines are being adopted in a growing number of countries, for periods ranging from a few weeks to a number of months.

**ILO standards on parental leave**

The Workers with Family Responsibilities Recommendation, 1981 (No. 165), refers to parental leave, which it defines as the possibility available to either parent of obtaining a leave of absence, without relinquishing employment and with rights resulting from employment being safeguarded, within a period immediately following maternity leave. No ILO Convention provides explicitly that parental leave should apply to both men and women, though Convention No. 156 does call more generally for the burdens of family life to be shared more equally between them. The Convention requires ratifying States to make it a goal of national policy to enable persons who have family responsibilities vis-à-vis their dependent children and other members of their immediate family who clearly need their care or support, and who are employed or wish to be employed, to exercise their right to be employed without being subjected to discrimination because of those responsibilities and, to the extent possible, without conflict between their employment and family responsibilities. It also provides for equal treatment between men and women with regard to those responsibilities.
Statistical indicators

The discussion should next look at statistical indicators that measure to what extent women are able to combine work, family and personal life.

As suggested above, two statistical indicators could be used: (i) female labour force participation rates for women of childbearing age; (ii) female labour force participation rates for women with children of less than school age (e.g., under five years old).

Comparing labour force participation rates of women of childbearing age, or better still the participation rates of women with and without children of less than school age, provides a measure of women’s ability to combine their working, family and personal life. This should be reported for rural and urban areas, since labour force participation rates generally differ quite substantially between them, in part because it is relatively easy for women in farming households to combine work with child care and household work. The discussion of female labour force participation rates needs to be properly nuanced, because high or increasing rates are not necessarily indicative of a better work-family balance; high participation rates may be attributable to women having to work because of low pay and economic need, and low participation rates to poor-quality or costly child care.

Time use data should be used in countries where they exist, as they provide a holistic view of people’s lives and so are able to indicate time stress. Brazil’s Country Profile, for example, discusses the problems associated with long commuting times as well as how much greater the time burden is for women than men when household work and child care is considered (Checklist 3-5, and Suggestions 1 and 2 for figures/graphs). Other data could be used for supplementary indicators that have been tested by several pilot-countries.

Summary

A short summary of the main findings and conclusions regarding this aspect of decent work should be provided. The summary should consider the effectiveness of policies and laws for combining work, family and personal life, as far as possible on the basis of available evidence. It is important to keep in mind that well intentioned policies sometimes have unintended negative side-effects. Austria’s Country Profile, for example, notes that long breaks in labour force activity for child care have had the unwelcome effect of reducing women’s future earnings. Whether or not empirical evidence is available, the discussion here could fruitfully speculate on policies and laws that might be helpful.
3. Checklist of issues that should be considered

Possible laws and policies

There are numerous laws and policies that help workers reconcile work, family and personal life and make the workplace more family-friendly. In addition to maternity leave and parental leave (main ILO legal framework indicators), the discussion should cover all relevant and important laws and policies in the country. It should at least comment on laws and regulations concerned with maternity leave, parental leave, family leave for emergencies, breastfeeding, flexible working hours, sick leave, child-care services and subsidies, age of entry to school, etc.

Effective coverage of laws and policies

As usual, the discussion should indicate the effective coverage of laws and policies and which groups have better coverage.

Age range for female labour force participation rates

Female labour force participation for women of childbearing age is indicative of how frequently women are able to combine work and family responsibilities. A typical age range would be 15-49 years, as this is the main childbearing age. However, since the intention of this indicator is to illustrate the situation for women with children, especially children below school age, it would be appropriate to pattern the country’s age range on fertility patterns so as better to cover women who are more likely to have young children. Thus in countries where women start childbearing relatively late, the age range could start at 20; in countries where childbearing tends to end relatively early, the age range could end at 45. For countries with the required data, this indicator could be refined to measure the labour force participation rates of women with and without children below school age. Austria’s Country Profile, for example, used labour force activity rates for women 20-39 years old with and without children: the employment-to-population ratio of women aged 20-39 years with children under 15 years was 70.6 in 2008, while the same ratio was 80.1 per cent for women in the same age bracket without children.

Need to report the female labour force participation rates for rural and urban areas

Have you reported the female labour force participation rates for rural and urban areas?

Need for nuanced discussion of statistical indicators

Have you properly nuanced the discussion of the labour force participation rates for women of childbearing age? For example, have you considered whether an observed increase in participation rates in recent years is because women are now being better able to combine work and family life or because of economic stress and the need to raise income?
4. Suggestions for figures/graphs

Various figures and graphs of the statistical indicators suggested above could be included, with disaggregation by male and female workers, rural and urban areas and at least two data years.

**Female labour force participation rates by five year age group for two data years and for rural and urban areas.**

Graph with year on x axis, percentage female labour force participation rate on y axis.

The graph plots the female labour force participation rates.

**Female labour force participation rates for women with children under five years old for two data years and for rural and urban areas**

Bar chart, with women with and without young children by rural and urban area on x axis, percentage female labour force participation rate on y axis.

The chart illustrates the female labour force participation rates.
Chapter 6:
Work that should be abolished

IAM OUT OF CHILD LABOUR
NOW IAM A TAILOR
1. Purpose of Chapter 6

Certain forms of work are considered so unacceptable that they should be abolished altogether. The community of nations considers child labour and forced labour as two prominent types of such work, and international Conventions and the 1998 ILO Declaration on Fundamental Principles and Rights at Work require that child labour and forced labour be abolished.

With this goal in mind, measurement of child labour and forced labour in the country is essential to gauge their incidence, distribution and characteristics and thus ultimately to inform action and monitor progress towards their elimination.

The prevalence of child labour and forced labour differs greatly from country to country. Depending on per capita income and poverty, historical and cultural factors, school attendance and education policies, the breadth of the discussion on child labour in a Country Profile will therefore vary. Forced labour, on the other hand, is prevalent in a great many countries regardless of the level of development. Countries may be originating, destination, transit countries or return migrant country for forced labour. For example, Ukraine is a transit and originating country, Austria is a destination and transit country and Indonesia is an originating and return migrant country, according to the Decent Work Country Profiles developed for these countries.

The observed magnitude of child labour and forced labour in a country depends largely on how they are defined and measured, but both are generally considered illegal and immoral and so are difficult to uncover and measure. In addition, definitions of child labour and forced labour differ. Finally, observed levels of both depend very much on the sources of the data and the questions used to collect the necessary information.

For the purposes of statistical measurement, national legislation and the guidelines provided by international labour standards, international statistical standards and other international instruments should be used as the starting point for developing statistical concepts and definitions of child labour and forced labour.

Five statistical indicators are presented here:

<table>
<thead>
<tr>
<th>Statistical decent work indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABOL-1. Child labour rate – (M)</strong></td>
</tr>
<tr>
<td>This is the percentage of overall child population in child labour aged 5 to 17 years. The term child labour reflects the engagement of children in prohibited work and, more generally, in types of work to be eliminated as they are socially and morally undesirable, guided by national and international standards.</td>
</tr>
<tr>
<td><strong>ABOL-2. Hazardous child labour rate – (A)</strong></td>
</tr>
<tr>
<td>This indicator reveals the prevalence of hazardous work among the population of children aged 5 to 17 years.</td>
</tr>
<tr>
<td><strong>ABOL-3. Rate of worst forms of child labour (WFCL) other than hazardous work – (A)</strong></td>
</tr>
<tr>
<td>This indicator reveals the prevalence of the worst forms of child labour other than hazardous work among the population of children aged 5 to 17 years.</td>
</tr>
</tbody>
</table>

Another indicator could be added on the proportion of children aged 5-14 years in wage employment or self-employment, which should be easy to measure with currently available labour force data. This has some major advantages. It focuses on work that is usually subject to labour laws and so amenable to policy. The work has a high probability of being exploitative and low-paid. And, it excludes work on family farms and in family businesses that is done under parental supervision and so not usually exploitative or governed by labour laws.
Chapter 6: Work that should be abolished

Assessing progress towards decent work at the national level

Chapter 6

ABOL-4. Forced labour rate – (A)
This is the proportion of the employed who are currently engaged in forced labour, which reflects the extent of the problem at a given point in time.

ABOL-5. Forced labour rate among returned migrants – (A)
This is the proportion of returned labour migrants (economically active migrants) for a given reference period (12-24 months) who have been engaged in forced labour (including forced labour as a result of trafficking). The indicator relates to decent work for the nationals of a given country who have worked abroad.

The legal framework indicators corresponding to these statistical indicators are “Child labour” and “Forced labour”.

- Designating a particular form of work as child labour depends on the child’s age, the type of work performed, the conditions under which it is performed and the decisions made by individual countries. Child labour is often condemned as work that deprives children of their childhood, their potential and their dignity and that is harmful to their physical and mental development.

- Forced labour exists when work or service is exacted by the State or by individuals who have the power to threaten workers with severe deprivation.

Legal framework indicator 9. Child Labour

The elimination of child labour has always been one of the basic goals of the ILO and its member States. That said, not all work done by young people constitutes child labour that is to be eliminated, so care has to be taken in defining it. Designating a particular form of work as “child labour” depends on a child’s age, the type of work performed, the conditions under which it is performed and the decisions made by individual countries as to the kind of work that children should be prohibited from engaging in. It is often condemned as work that deprives children of their childhood, their potential and their dignity and that is harmful to their physical and mental development. Globally, nearly 14 per cent of all children in the world are engaged in some form of child labour.

Most countries follow a variant of the scheme described in the ILO Conventions detailed below. This means:

- designating an age below which no child should work, with a few permitted exceptions such as working with their family in subsistence agriculture;

- requiring that children not be allowed to work below the age of completion of compulsory schooling (usually 14 or 15 years of age, though higher or lower in some countries);

- setting an age about two years younger for “light work” that does not interfere with the child’s health or schooling;

- setting a higher age (usually 18) for work that is dangerous or harmful to a child’s health or morals.

In designing the Country Profile it is useful to consider whether the minimum working age and the age of completion of compulsory schooling in the country are consistent with each other. Where schooling is regulated on a regional or provincial basis, as it is in many countries, the
Profile should ensure that schooling is available up to an agreed minimum age everywhere in the country. Consultation and coordination with the Ministry of Education may be necessary for this purpose.

Where child labour is part of the national context, it takes time to eliminate it completely. Since 1999, however, the ILO has promoted the immediate abolition of what is designated the worst forms of child labour, that is to say work that is harmful to the children's health, safety and morals (see Convention No. 182 below). With the aid of the ILO’s International Programme for the Elimination of Child Labour (IPEC), other international aid organizations and their own efforts, this targeted approach has in many countries resulted in real progress.

This legal framework indicator is closely linked to several other indicators: (i) Forced labour (see next section), as children do not have the capacity to resist being forced to work; Labour administration, since without regular law enforcement it is impossible to track and eliminate child labour; Discrimination, as children of minority groups and girls are particularly vulnerable to the worst forms of child labour. Though difficult to obtain, these statistics are important to understand the extent of the problem and the kind of work where children are most often found.

Child labour takes place almost exclusively in the informal economy, which makes it even more difficult to identify and to eliminate.

Selected ILO standards on child labour

The fundamental Minimum Age Convention, 1973 (No. 138), requires that the general minimum working age be not lower than the age of completion of compulsory schooling and, in any case, not lower than 15 years old. Developing states may initially set the general minimum age at 14. The minimum age for light work is two years younger than the general minimum age (i.e., 13 or 12). The Convention sets the minimum age for hazardous work at 18 (16 if it is in the context of training and under strict supervision). Hazardous work is work which, by its nature or the circumstances in which it is carried out, is likely to jeopardize or harm the health, safety or morals of young persons. The exact list of the kind of work considered to be hazardous must be determined in each country after consultation with workers' and employers' organizations. Several flexibility options are foreseen – for instance, work in undertakings where only the family works or work in “artistic performances” with the explicit authorization of the labour inspectorate, but even in these conditions children are not allowed to engage in hazardous work.

The Worst Forms of Child Labour Convention, 1999 (No. 182), another fundamental ILO Convention, defines a “child” as a person under 18 years of age. (This is consistent with the UN Convention on the Rights of the Child and with the Millennium Development Goals.) It requires ratifying states to take immediate steps to eliminate the worst forms of child labour, which comprise: all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; child prostitution and pornography; using children for illicit activities, in particular for the production and trafficking of drugs; and work which is likely to harm the health, safety or morals of children. Under this Convention time-bound measures should be taken, which means that the Government should set itself time limits by which the goals for the elimination of the worst forms of child labour should be met.

Many other Conventions on minimum age were adopted before the 1973 Convention No. 138, from the very first Session of the ILO Conference in 1919. These Conventions were drafted on a “sectoral” basis, meaning that they applied only to specific economic sectors. While these are still in force for some countries, more and more countries are opting instead to ratify the more up-to-date Convention No. 138.
Legal framework indicator 10. Forced Labour

Forced labour exists when work or service is imposed, by the State or by anyone else, under threat of penalties.

Selected ILO standards on forced labour

The fundamental Forced Labour Convention, 1930 (No. 29), prohibits all forms of forced or compulsory labour, which is defined as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.” Some forms of obligatory work are not considered to constitute forced labour as prohibited by the Convention: (i) compulsory military service for purely military purposes (in other words, people who are conscripted may be required to do military work but not general development work; (ii) normal civic obligations (e.g., jury duty); (iii) work as a consequence of a conviction in a court of law, provided that the work or service in question is carried out under the supervision and control of a public authority and that the person carrying it out is not hired out to or placed at the disposal of private individuals, companies or associations; (iv) in cases of emergency; (v) minor communal services performed by the members of a community in the direct interest of the community.

The work must be something for which the person has not offered himself or herself voluntarily. This may include cases where, although the initial offer was voluntary, the person subsequently finds that he or she is not allowed to leave (e.g., military or other government service from which one is not allowed to resign, or work entered into as a result of deception where the worker later finds that he or she is unable to leave, as when a person accepts a job and is then forced into prostitution). The Convention also requires that the illegal exaction of forced or compulsory labour be punishable as a penal offence, and that ratifying states ensure that the penalties imposed by law are adequate and strictly enforced.

There is a great deal of forced labour in the world, and even classic slavery still exists. In some countries there is debt bondage, where people are required to work to pay off debts. Trafficking has been growing in recent years, with people being moved from one country to another for labour or sexual exploitation. Certain categories of workers, such as migrant domestic workers, are particularly susceptible to forced labour (see the Domestic Workers Convention, 2011 (No. 189)).

The fundamental Abolition of Forced Labour Convention, 1957 (No. 105), was adopted in the wake of World War II to prevent the kind of atrocities perpetrated before and during that war, and by later totalitarian states. It prohibits forced or compulsory labour as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system (e.g., imprisonment of a Government’s political opponents, with the obligation to work); as a method of mobilizing and using labour for purposes of economic development; as a means of discipline (e.g., imprisonment of government officials considered not to be working effectively, with the obligation to work); as a punishment for having participated in strikes; and as a means of racial, social, national or religious discrimination.

The fundamental Worst Forms of Child Labour Convention, 1999 (No. 182), designates forced or compulsory labour by anyone under 18 years of age, including child trafficking and forced recruitment for armed conflict, as one of the worst forms of child labour to be tackled urgently.
2. Discussion

Main focus

The main focus of discussion in this chapter will depend on the relative importance of child labour and forced labour in the country. Emphasis should in any case be placed on progress and efforts to reduce and eliminate child labour and forced labour.

Introductory paragraph

It is useful to begin the discussion with a brief background to child labour and forced labour and why these forms of labour need to be abolished. This should include references to national laws and programmes and to ILO declarations and Conventions. The introductory paragraph should also indicate in broad terms the extent to which child labour and forced labour are important issues in the country.

Child labour

Discussion of child labour should be based partly on ILO statistical indicators such as the level and trend of child labour in different groups, areas and industries and partly on programmes and policies to eliminate child labour. The discussion on statistical indicators needs to be very clear about how child labour is defined and measured (see the definitions of child labour in Box 6). As usual, incidence rates need to be disaggregated by age, sex, race and area. If possible, they should also be tabulated by school attendance and type of child labour.

School attendance and education policy are critical, and education is the preeminent approach for reducing and eventually eliminating child labour, given that proper schooling and child labour are incompatible. School also helps prepare children for adulthood and entry into the labour market by building human capital. The discussion should indicate whether school attendance and education policy (with regard to the number of years of compulsory school, for instance) are helping to reduce child labour. It should also comment on other programmes designed to reduce child labour, such as IPEC programmes and income support programmes for families whose children attend school (for example, the \textit{Bolsa família} in Brazil).

Where they exist, it is helpful to include time-use data to illustrate the demands on children’s time, in the form of household work and child care, for example. Time-use data offer a holistic view of children’s lives, including all the demands on their time that can interfere with school attendance and performance. This holistic view is especially important for girls (Checklist 1-4, and Suggestions 1-5 for figures/graphs).
Box 6. The international statistical definition of child labour

The 2008 Conference of Labour Statisticians established guidelines for the statistical measurement of child labour (see Resolution concerning statistics of child labour adopted at the 18th ICLS). Child labour may be measured in terms of the engagement of children in productive activities on the basis either of the general production boundary or of the SNA production boundary. For the purposes of the ILO’s global estimation of child labour, child labour is measured on the basis of the SNA production boundary, under which it is a subset of “children in employment” or “working children”.

According to international statistical standards, children are considered to be in child labour if they are: (i) below the age of 12 and working; (ii) aged 12-14 years and usually working more than 14 hours per week; (iii) aged 12-14 years, usually working 14 hours or less per week (permitted light work) and described as working in a designated hazardous industry or occupation or as working under hazardous conditions; (iv) aged 15-17 years and usually working more than 42 hours per week; and (v) aged 15-17 years and usually working less than or 42 hours per week (normal work) and described as working in a designated hazardous industry and/or occupation (see the ILO manual Decent work indicators, 2013).

In the international statistical definition of child labour what constitutes child labour differs by age group:

- all “work” by children aged 5-11 years is considered to be child labour, regardless of the number of hours of work per week (1 hour per week is sufficient), regardless of the context in which it is performed (work in a family business or farm counts) and regardless of whether it affects school attendance and performance;
- for children aged 12-14 years, “work” is considered to be child labour if it is performed for more than 14 hours per week or 14 hours or less per week in a hazardous industry and/or occupation (based on a list of occupations and industries designated by the Government as hazardous or considered to involve hazardous working conditions by those evaluating the existence of child labour);
- “work” by young adults aged 15-17 is also considered to constitute child labour if it is performed in a designated hazardous industry and/or occupation or is performed for more than 42 hours per week (even though young people aged 15-17 are not technically defined as children in most countries).

Several aspects of the international definition of child labour are worth noting and should be taken into consideration in Country Profiles, because they affect both the magnitude of child labour in a country and its policy options:

- “Child labour” as defined in the 2008 resolution assumes that all work by children under 12 years old constitutes child labour and so needs to be abolished, irrespective of whether or not the work is detrimental to health, development or schooling. For instance, when young children in high-income countries such as Sweden and the United States help out on family farms and in family businesses, this may not negatively affect their health, development or school attendance and performance. The Country Profile should therefore report child labour by age and by type of child labour (low age, excessive hours, hazardous).
- “Child labour” does not distinguish between work performed for the family and work performed for paid employment or self-employment, while working for family could be done under different working conditions. Therefore, it is important to report child labour by employment status.
Forced labour

The discussion on forced labour should generally focus on laws, policies and programmes concerned with forced labour, partly because the information on the number of people in forced labour is usually second-hand. In future, relevant statistical indicators labour should become more common as countries use newly developed ILO instruments for measuring forced labour using labour force and household surveys. For now, Country Profiles should at least indicate: (i) the extent to which the country is an originating country, transit country, destination country or return migrant country for forced labour; and (ii) the particular occupations and industries in which forced labour is concentrated (see the definition of forced labour in Box 7, as well as Checklist 1, 5 and 6 and Suggestion 6 for figures/graphs).

Box 7. Definition of forced labour

Work is considered to constitute forced labour when two criteria are present: involuntariness/deception and coercion/penalty. This can occur during recruitment or be triggered by working and living conditions or by the inability to leave an employer. The assessment of a forced labour situation requires the presence of both involuntariness and coercion. Since these criteria are not specific enough to be used in measurement, it is important that Country Profiles indicate how forced labour is defined and measured.
3. Checklist of issues that should be considered

Need to describe and indicate definitions and data sources used to measure child labour and forced labour

Have you described how child labour and forced labour are defined at the national level, the data sources used to measure them, and the age range used for child labour?

Need to report child labour rates by age group and type of child labour

Have you reported child labour rates by age group and type of child labour (low age, hazardous work, excessive hours)?

Need to report child labour rates for rural and urban areas

Have you reported child labour rates for rural and urban areas separately, which are usually very different?

Policies and programmes for child labour

Have you discussed the important laws, programmes and policies for eliminating child labour, including on the number of children affected?

Need to consider all aspects of forced labour

Have you considered and discussed all the relevant aspects of forced labour in your country, including forced labour that originates in your country, forced labour that comes into your country, forced labour that transits your country, and migrant forced labour returning to your country?
Policies and programmes for forced labour

Have you discussed the important laws, programmes and policies relating to forced labour in your country, including information on the number of people involved and the number of offenders punished?

4. Suggestions for figures/graphs

Percentage distribution of child labour by major industries

Pie chart (see Figure 1).

The chart shows the occupations or sectors of the economy where working children are concentrated. Notice here that 60 per cent of child labour in Philippines is concentrated in agriculture, hunting, forestry and fishing.

**Figure 1:** Percentage distribution of working children by major industry group, Philippines, 2010

![Pie chart showing percentage distribution of working children by major industry group, Philippines, 2010](chart.png)

Source: Decent Work Country Profile of the Philippines, 2012

Child labour by age, sex, race and rural-urban area

Bar chart (see Figure 2).

The focus of the chart in Figure 2 is on how the incidence of child labour can differ among groups and areas. Notice here that child labour in Brazil has fallen sharply over time since 1992 and that this is true for all groups and areas. Child labour is higher for boys than for girls, for Blacks than for Whites, and for urban areas than for rural areas. These findings imply that agriculture may not be considered hazardous in Brazil in terms of child labour; otherwise the child labour rates would be higher in rural areas than in urban areas.
Figure 2: Working children as a percentage of all children aged 10-14, Brazil, 1992-2007

Source: Decent Work Country Profile of Brazil, 2009

Child labour and school attendance in rural and urban areas

Bar chart. A graph could also be used when annual data are available for a long enough time period.

The focus of the chart in Figure 3 is on the extent to which child labour interferes with school attendance, in the case of Zambia. Notice that (i) most working children attend school, even those engaged in hazardous work, (ii) working children aged 5-11 are found mainly in non-hazardous work, especially in rural areas, and (iii) the probability of working children not attending school is much higher among those engaged in hazardous work than among those not so engaged.

Figure 3: Working children aged 5-17 as a percentage of all children, by school attendance and type of labour for rural and urban areas, Zambia, 2005

Source: Decent Work Country Profile of Zambia, 2012
Child labour by type of child labour (low age, hazardous work, excessive hours)
Bar chart.

The interest in Figure 3 above is the possibility it affords of visualizing the most important types of child labour. Notice that most working children in Zambia are in the low-age group (under 12 years old).

Child labour by employment status, age and sex
Bar chart or pie charts.

The interest is in visualizing the importance of family-based labour compared to wage labour and self-employment.

Forced labour
When representative statistics on forced labour are available, the figures should resemble Figures 1-3 above, which indicate the differences in rates by sex, age, occupation, industry and area. Note that figures based on ad hoc and unrepresentative numbers of forced labourers is not recommended.
Chapter 7: Stability and security of work
1. Purpose of Chapter 7

Stability and security of work is an important aspect of decent work for differentiating between workers whose jobs are characterized by a degree of permanence and reliability and those whose jobs afford no expectation of a lasting employment relationship. This dimension includes the concept of precarious employment centred on the duration of job contracts or the possibility of rapid dismissal, and the concept of job tenure focused on the length of time workers have been in their current job or with their current employer, regardless of the duration of their contract.

Losing a job has many negative outcomes for a worker. There are economic costs such as the loss of human capital especially job-specific knowledge and skills, loss of pay while the worker looks for another job and the risk lower pay in a new job. It may also entail the loss or interruption of benefits, such as pension and health care insurance. And the worker usually suffers increased tension and a feeling of insecurity when a job is lost that affects his or her well-being and that of family members.

Stability and security of work is difficult to measure, however, and the interpretation of statistical indicators covering this dimension tends to be complex. Some element of job loss is a necessary part of a dynamic economy where firms, occupations and industries contract or disappear. And the degree of job insecurity depends significantly on the context and on government policies. For example, length of job loss is generally shorter when the unemployment rate is lower; loss of income is lower when severance pay is higher and unemployment insurance is more generous; and job training and placement programmes may exist to help workers find another job. Furthermore, statistical indicators of stability and security of work may be counter-cyclical, as they often increase as labour market conditions deteriorate and fall as labour market conditions improve after a crisis or recession.

Stability and security of work covers four statistical indicators within the ILO decent work measurement framework that are given in terms of the share of employment corresponding to a particular category of unstable or insecure workers. The four indicators cover the precarious employment rate, job tenure, the subsistence worker rate and the real earnings of casual workers.

The measurement of the concepts which are used to define the indicators requires careful questionnaire design, since they refer to subgroups of employment that are best analysed through disaggregation by key components and classifications. To be reliable the estimates will therefore require a sufficiently large sample size. The main criteria used to measure the concepts are the duration of contracts or ease of dismissal by employers, characterization of workers as subsistence workers and casual workers, and length of job tenure (i.e., the length of time workers have been in their current job or with their current employer, regardless of the duration of the contract)24.

24 A complementary indicator could be used, the ratio of real earnings of casual workers relative to average pay and low pay threshold (see Chapter 3), in order to assess the meaning of real earnings of casual workers, and to know how high it is relative to other pay metrics.
**Statistical decent work indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAB-1. Precarious employment rate (M)</td>
<td>This is the share of the employed (especially employees) whose contract of employment, whether verbal or written, is of relatively short duration (casual workers, short-term workers or seasonal workers) or whose contract can be terminated on short notice.</td>
</tr>
<tr>
<td>STAB-2. Job tenure (A)</td>
<td>Job tenure measures the length of time workers have been in their current or main job or with their current employer and is valuable for analyzing the degree of fluidity in the labour market. There are two indicators for job tenure: (i) mean job tenure for all employed persons and (ii) percent distribution of employed persons by length of job tenure.</td>
</tr>
<tr>
<td>STAB-3. Subsistence worker rate (A)</td>
<td>The share of employed persons who work in the subsistence production of goods or services, i.e., production which constitutes the predominant consumption of the household. Such workers face enormous challenges in terms of stability and security of work because the nature of the work which is often dependent upon rights to use land and water resources as well as favourable climatic and environmental conditions.</td>
</tr>
<tr>
<td>STAB-4. Real earnings of casual workers (A)</td>
<td>This is the remuneration in real terms of one of the most precarious types of employment. It is obtained by adding up the total nominal earnings per hour of casual workers over a given reference period and deflating the amount by the consumer price index.</td>
</tr>
</tbody>
</table>

The legal framework indicator corresponding to these statistical indicators is “Termination of employment”. The rules regulating termination of employment aim to ensure the employer’s right to dismiss a worker for a valid reason and the worker’s right not to be deprived of work unfairly.

The interpretation of indicators here depends on whether one is analysing current levels or recent changes. The levels may be indicative of structural problems and long-standing decent work deficits, such as a high percentage of workers who have unstable and insecure work. Recent changes in these indicators, by contrast, may be due to business cycles, economic crises and other short-term-economic changes and not to structural changes. This means that the analysis and discussion of current levels and recent changes often afford different insights.

The type of workers covered by indicators on stability and security of work depends very much on the source of the data (e.g., labour force or household survey, establishment survey, etc.). It is therefore important to indicate data sources and to explain what this implies for the type of workers and working hours reflected in them. For example, in the Country Profile of the Philippines 21.2 per cent of employees were reported as being in precarious work according to establishment data, compared to 14.6 per cent according to household survey data.
2. Discussion

Introductory paragraph
The discussion could start with a brief discussion of why stability and security of work is an important aspect of decent work, including an explanation of the concept itself. Alternatively, one might start with the relevant laws and regulations.

Laws and regulations and the economic and labour market context
In its discussion of laws and regulations the Profile should cite changes as well as their effective coverage in the light of the country’s labour market structure. In low-income countries, where labour markets are mainly informal in urban areas and where employment in rural areas is mainly on family farms, the reach of laws and regulations is quite different from upper-middle and high-income countries with a relatively small informal sector and relatively few family farms. Similarly, the significance of the ILO statistical indicators for stability and security of work is quite different in formalized labour markets than in informal and family-oriented labour markets, because of the type of workers covered.

The legal framework indicator for stability and security of work encompasses the rights of employers and the grounds on which they may dismiss workers, along with the requisite notice period and severance pay. Since the indicator applies only to some employees (e.g., employees with certain types of contracts or in certain sectors), it is important to indicate what type and approximately what percentage of workers are covered by the laws and regulations on termination of employment - as well as their effective coverage inasmuch as they are very often not well enforced in smaller and informal enterprises. The discussion of the coverage of laws and regulations should indicate the extent to which low-wage workers and casual workers are covered in practice. Finally, consideration should be given to information on termination of employment laws in similar countries in order to provide a better perspective (Checklist 1-3).

Legal framework indicator 11. Termination of employment
The rules regulating termination of employment aim to ensure the employer’s right to dismiss a worker for a valid reason but at the same time to protect the worker’s right not to be deprived of work unfairly or in a discriminatory manner.

Selected ILO standards
The Termination of Employment Convention, 1982 (No. 158), and its accompanying Recommendation No. 166 deal with termination of employment at the initiative of the employer. Employment should not be terminated unless there is a valid reason for such termination connected with the worker’s capacity or conduct or the business’ operational requirements, but the employer should be able to dismiss workers when such valid reasons exist. Reasons which are not considered valid include those based on union membership or participation in union activities, filing of a complaint against an employer, race, colour,
It is important to begin discussion here with a clear description of how the precarious employment rate is defined and measured. Because the concept and measurement of this indicator is complex, it is not surprising that its definition and measurement varies from country to country. The introductory discussion on this indicator should also clarify what types of workers are covered by the available statistics. For example, are they mainly workers in larger formal sector establishments, in public sector jobs, and/or in certain sectors or occupations? Are the statistics mainly concerned with casual workers with no contract or very short-term contracts or with workers with at-will contracts, seasonal workers or workers with definitive short-term contracts? It is important to know this as it helps to understand what the indicator means and implies for all workers in the country.

When analysing the precarious employment rate it is important to observe in which sectors and occupations precarious employment is concentrated as well as differences for men and women, rural and urban areas, and disadvantaged groups. For example, the Country Profile of Ukraine (as well as several other Profiles) notes that precarious employment rates are relatively high in certain sectors of the economy such as agriculture, construction, transportation, hotels and restaurants, and the retail trade. According to Zambia’s Country Profile, 65.2 per cent of women were engaged in precarious forms of work compared to 53.6 per cent of men in 2008, and 71.9 per cent of rural workers compared to 25.1 per cent of urban workers (Checklist 4-8, and Suggestions 1-3 for figures and graphs).
Job tenure

Job tenure is a direct measure of job stability as it measures how long workers have been in their most recent job. Whenever possible, it is useful to report tenure in standardized time bands (the bands suggested by the ILO are < 6 months, 6-11 months, 1-4 years, 5-9 years, 10 or more years), in addition to average tenure in years, because this informs users about the proportion of workers who are truly insecure with very short tenure of less than six months or a year. According to Brazil’s Country Profile, for example, average tenure in 2007 was 8 years while 18 per cent of workers had been in their last job for less than 12 months.

It is of course possible, even if unlikely, for a large proportion of workers to have precarious employment contracts and therefore high job insecurity while at the same time staying in the same job for years. For this reason it is often useful to look at the relationship between job tenure and precarious contracts (e.g., special tabulations indicating average tenure and percentage of workers with short tenure for workers with a precarious contract, compared to workers without a precarious contract). Even when special tabulations are not possible, it is worth discussing how tenure and type of contract differ by sector, especially for sectors known to have a high turnover. According to Austria’s Country Profile, for example, even though average tenure in Austria in 2010 was 10.2 years, labour turnover was relatively high in tourism and construction, two fairly large sectors in Austria, because they are seasonal and dependent on the weather.

As usual, tenure data should be tabulated by age, sex, area and group as well as by sector where possible. In Austria, in 2008, average tenure was 11 years for men compared to 9.2 years for women, and 14.3 years for self-employed and contributing family workers compared to 9.5 years for employees. In Brazil average tenure in 2007 was 8.5 years for men compared to 7.4 years for women, 7.8 years for Black workers compared to 8.2 years for White workers, and 12.6 years for rural areas compared to 7.1 years for urban areas (Checklist 4-8, and Suggestions 1-3 for figures/graphs).

Subsistence worker rate

Workers on subsistence family farms are largely outside the reach of labour laws and regulations and are also generally poor, and so it is important to know how many workers are involved. It is also useful to indicate where subsistence workers are concentrated by observing how rates differ by sex, area, disadvantaged group, industrial sector and occupation (Checklist 4-8, and Suggestions 1-2 for figures/graphs).

Real earnings of casual workers

The expectation is that casual workers have relatively low pay rates, as they are in a very weak bargaining position vis-à-vis their employers and are generally less skilled and in lower-paid occupations and sectors. But how much less do casual workers earn, and are there groups, areas or sectors where the earnings of casual workers are especially low? This is the kind of issue that should be addressed in this subsection. For example, according to the Country Profile of the Philippines, the base pay of workers in precarious work was 129 pesos per day in 2010 (at 2000 prices) compared to 185 pesos for all employees. Men received more than women (135 pesos compared to 119 pesos) and workers in agriculture received much less than workers in industry or services (85 pesos compared to 151 and 137 pesos, respectively) (Checklist 4-8, andSuggestions 1, 2 and 4 for figures/graphs).
Linkages and relationships

Linkages and relationships between stability and security of work indicators and other indicators should also be analysed. Some of the relationships worth considering are suggested below. They should not all should be used in a Country Profile but are rather intended to stimulate further reflection. As such, their relevance will vary from one country to another (Suggestions 5-7 for figures/graphs).

- Is precarious employment and short tenure related to excessive work hours? Are workers with precarious employment more or less likely to work excessive hours? (Suggestion 7)

- Is precarious employment and short tenure related to low pay, and to poverty? Do workers with precarious employment and short tenure who frequently work excessive hours tend to receive low pay and to be unable to meet their basic needs? (Suggestion 6)

- How are precarious employment and tenure related to economic growth and the ups-and-downs of business cycles and crises? Are they cyclical and therefore positively or negatively related to economic growth and labour demand, or is precarious employment and short tenure mainly a structural problem? (Suggestion 5)

Policies

Discussion should consider possible policy options for improving stability and security of work without unduly constraining economic growth. In addition to laws on dismissal and termination (see the legal framework indicator Termination of Employment), social policies can help reduce insecurity associated with losing work. For example, Austria’s Country Profile discusses “flexicurity” and the increased need for social benefits to compensate for the increasing labour market flexibility and insecurity faced by workers. The Profile states that casual workers are now covered by unemployment insurance and that the self-employed receive insolvency insurance and have optional access to unemployment insurance. Workers in a flexible labour market can be helped by job training, unemployment insurance, social transfers, basic income programmes, free public health care, etc.

Country Profiles are more interesting when some perspective is provided by a reference to the legal and policy situation in comparable countries. This is done with good effect in Ukraine’s Country Profile, which compares its laws and practices to those in the European Union.

Summary

This subsection should provide a short summary of the main findings and conclusions for this aspect of decent work.
3. Checklist of issues that should be considered

Recent changes in laws and regulations

Have there been any notable changes in laws or regulations in recent years? It is important information to point this out, along with any possible effect it might have had, or is likely to have, on labour market conditions.

Coverage of laws and regulations

Have you indicated the approximate percentage of workers covered by laws and regulations on termination of employment? Have you described the type of jobs and enterprises (particular sectors, occupations, public sector and enterprise size) where coverage is relatively high or low? Note that the percentage coverage can be indicated using ILO’s recommended ranges.

Laws and regulations in comparable countries

Are laws and regulations in your country similar to or different from than those in comparable counties? This type of information helps give perspective to the Country Profile.
Data sources, questions used to collect data, reference period, and definition

Have you discussed how the data were collected and what definition was used? It is essential to discuss this because observed values of indicators on stability and security of work are sensitive to how information was collected and the definition used. Conclusions need to be drawn about what this implies for the coverage and significance of indicators, especially for poorer and lower wage workers.

Workers covered by statistical indicators on stability and security of work

Have you indicated what types of workers are reflected in the statistical indicators used to measure stability and security of work? To what extent are the self-employed and contributing family workers covered? To what extent are workers in the informal sector covered? Are seasonal workers covered? Which sectors and occupations are not covered?

Differences for groups, areas, sectors and occupations

Have you tabulated and discussed differences for males and females, rural and urban areas, and the usual disadvantaged groups identified in Chapter 1? Have you indicated occupations and/or sectors that have unusually high or low values as regards stability and security of work?

Sectors and occupations where insecurity is especially high

Have you indicated the sectors or industries in which insecurity is especially high, such as tourism, construction and agriculture where work is seasonal and dependent on the weather? When measuring change over several years, it is often useful to standardize indicators for distribution by sector and/or to focus on changes in particular sectors.

Reasons for differences in levels and changes over time in stability and security of work indicators

Have you tried to explain the reasons behind the observed differences between the areas and groups in current levels and recent changes in stability and security of work? For example, to what extent have business cycles and economic crises affected annual fluctuations in indicators.
4. Suggestions for figures/graphs

Percentage distribution of precarious employment by type of worker

The distribution by type of worker could include casual workers with very short contracts, casual workers without a contract, seasonal workers, short-term contract workers and family workers.

Bar chart with percentages for earliest year and latest year. The purpose of this figure is to indicate what types of contracts predominate as regards precarious employment.

Precarious employment rate by gender, rural and urban areas, employment status, and key industries and occupations, areas, etc.

Bar chart with precarious employment rates for earliest year(s) and latest year(s).

The purpose of the graph is to indicate which groups, areas, etc. have higher precarious employment rates.

See the example of Brazil where rates were higher for urban areas, Blacks and women in 2006-2007 (Figure 1).

Figure 1:  Percentage of employed persons with job tenure less than one year, Brazil 2006-2007

Source: ILO, *Decent Work Country Profile of Brazil*, 2009
Relationship between precarious employment rate and short job tenure rate
Bar chart indicating percentage of workers with job tenure of less than one year for workers in and not in precarious employment.

The issue here is the extent to which workers with precarious employment have short job tenure.

Real earnings of casual workers relative to average earnings and to the low-pay threshold
Graph with year on x axis, real earnings on y axis.

The issue here is the pay received by casual workers compared to average pay and to the low-pay threshold, and whether the earnings of casual workers are sufficient to meet basic needs?

See the example of Indonesia (Figure 2), where the wages of casual workers fell relative to the average wage, the low-pay threshold and the minimum wage between 2005 and 2010.

Figure 2: Relationship between wage of casual workers to average wage of employees, minimum wage and low-pay threshold Indonesia, 2005-2010

Source: ILO, Decent Work Country Profile of Indonesia, 2011
Relationship between the precarious employment rate and economic growth

Graph with year on x axis, annual precarious employment rate and real economic growth rate on y axis.

The issue here is whether the precarious employment rate is structural (i.e., not related to a business cycle) or cyclical (i.e., positively or negatively related to a business cycle). Notice how in Figure 3 the percentage of employees in precarious employment in the Philippines rises and falls with changes in the economic growth rate.

**Figure 3:** Relationship between percentage of employees in precarious work and real GDP per capita growth rate, Philippines, 1999-2010

Note: PhP: Philippines Pesos

Source: ILO, Decent Work Country Profile of the Philippines, 2012

Relationship between precarious employment rate and low-pay rate

Graph with year on x axis, precarious employment rate and low-pay rate on y axis. Alternatively, bar chart with poverty rate and low-pay rate for workers with and without precarious contract when a special tabulation is possible.

The issue here is the degree to which precarious employment, poverty and low wages have moved together in recent years.

Relationship between precarious employment rate and hours of work

Graph with year on x axis, annual precarious employment rate, time-related underemployment rate and excessive hours rate on y axis. Alternatively, one could use a bar chart with the time-related underemployment rate and excessive hours rate for workers with and without precarious employment when a special tabulation is possible.

The issue here is whether workers in precarious employment are more or less likely to have especially long or especially short hours of work.
Chapter 8:
Equal opportunity and treatment in employment
1. Purpose of Chapter 8

Promoting equal opportunity and treatment in employment is a central element of the Decent Work Agenda and the Millennium Development Goals. It is widely considered to be an intrinsic human right not to be discriminated against in employment. This has been expressed in two ILO core Conventions: the Equal Remuneration Convention, 1951 (No. 100), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). Discrimination is “any distinction, exclusion or preference made on the basis of race, colour, gender, religion, political opinion, national extraction, or social origin”, according to Convention No. 111. This means that in addition to discrimination based on gender, national assessments on this dimension should also be concerned with discrimination and unequal treatment in employment based on other personal characteristics deemed important in the country, such as those noted in ILO Convention 111.25

It is difficult to measure discrimination directly, which is why the selected statistical indicators on equal opportunity and treatment in employment measure inequality for women and other groups as regards types of occupations, management positions, wages, and non-agricultural wage employment26.

The indicators introduced in this section can help countries to monitor the progress they have made in promoting equal opportunity and treatment in employment. There are currently four statistical indicators and four others are being developed by the ILO.

<table>
<thead>
<tr>
<th>Statistical decent work indicators27</th>
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<tbody>
<tr>
<td><strong>EQUA-1. Occupational segregation by sex - (M)</strong></td>
</tr>
<tr>
<td>This indicator is computed from three measures (see the ILO manual, op.cit) and provides information on the tendency for men and women to work in different occupations – where an occupation refers to a set of jobs whose main tasks and duties are characterized by a high degree of similarity. It sheds light on the extent to which men and women benefit from different opportunities and treatment in their work.</td>
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<tr>
<td><strong>EQUA-2. Female share of employment in senior and middle management - (M)</strong></td>
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<tr>
<td>This indicator refers to the proportion of females in total employment in senior and middle management (corresponding to ISCO-88 categories 11 and 12 or ISCO-08 sub-major groups 11, 12 and 13). It provides information on the proportion of women who are employed in decision-making and management roles in government, in large enterprises and in institutions.</td>
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<tr>
<td><strong>EQUA-3. Gender wage gap -(A)</strong></td>
</tr>
<tr>
<td>This indicator shows the difference between the gross average hourly earnings of male and female employees expressed as a percentage of gross average hourly earnings of male employees. It measures the relative difference between the average hourly pay for men and the average hourly pay for women.</td>
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25 Decent Work Country Profiles to date have referred to discrimination based on sex, age, race, migrant status, indigenous group, disability, trade union membership and health (e.g., HIV/AIDS). See the Country Profiles that are available at: www.ilo.org/map and www.ilo.org/mdw

26 These indicators do not measure discrimination per se. Rather, they measure inequality that may or may not be due to discrimination. For example, women receive lower pay than men around the world partly because they generally work fewer hours and have less education and years of experience than men. This means that the observed male-female wage gap is only partly due to wage discrimination.

27 The EQUA 6 and EQUA 8 indicators can comprise a set of indicators disaggregated by ethnicity in order to give a profile of discrimination in the country, including Employment-to-population ratio (EPR), Labour force participation ratio (LFPR), Unemployment rate, Average real wages. Ethnicity is a recommended level of disaggregation for key indicators on employment and earnings.
Almost all countries have national laws prohibiting discrimination in employment. Though there are many possible grounds for discrimination, this chapter focuses on gender discrimination, partly because it affects roughly half the adult population, partly because of the availability of data by gender and partly because of the subject's political sensitivity along with other forms of discrimination or inequality, such as discrimination of grounds of religion, race and ethnicity. It is commendable that some Country Profiles have discussed inequalities and discrimination based on migrant status, age, race, disability and HIV/AIDS.

Statistical indicators for equal opportunity and treatment in employment are generally relatively stable from year to year, which means that any major changes observed in values from one year to next year need to be looked at critically. The discussion should take into consideration when values for certain years are unlikely to reflect real changes.

Given the analytical problems that exist with the statistical indicators for equal opportunity and treatment in employment (see below), it is important that national assessments supplement them with more detailed information on occupational segregation by gender and on the gender pay gap.

The legal framework indicators corresponding to the statistical indicators are “Equal remuneration of men and women for work of equal value” and “Equal opportunity and treatment”. Both are based largely on ILO core Conventions Nos 100 and 111.

1. *Equal opportunity and treatment.* Discrimination exists when laws, rules or practices explicitly cite a particular reason, such as gender, race, etc., whereby equal opportunities are denied (direct discrimination) or which, though ostensibly neutral, leads in practice to exclusion (indirect discrimination). Freedom from discrimination is a fundamental human right and it is therefore essential that workers be able to choose their employment freely, to develop their potential to the full and to obtain economic rewards on the basis of merit.

2. *Equal remuneration of men and women for work of equal value.* Equal remuneration for men and women for work of equal value refers to rates of remuneration established without discrimination based on gender.
In addition to the above, national assessments of decent work should refer to laws and regulations that facilitate the employment of women with family responsibilities. This includes breastfeeding, maternity leave, family planning, health care and non-discrimination based on family status and pregnancy. Laws and regulations concerned with sexual harassment and sexual violence at work are also relevant.

2. Discussion

Introductory paragraph

The introduction to this chapter can take different forms. It may start with a brief discussion of why equal opportunity and treatment in employment is an important aspect of decent work. A more common practice, however, has been to begin directly with a discussion of the legal framework, as it should not be necessary to have to justify the need to reduce discrimination and improve equal opportunity and treatment in employment.

Legal framework and equal opportunity and treatment in employment

Discussion of laws and regulations on equal opportunity and treatment in employment should provide information on all national laws and regulations that are concerned with discrimination in employment and earnings. This includes the national Constitution and other founding documents as relevant. All of the grounds on which discrimination in employment and earnings is forbidden should be indicated, such as gender, race, colour, religion, political opinion, national extraction, social origin, age, migrant status, disability, trade union membership, and health (e.g., HIV/AIDS).

Country Profiles should also discuss laws, policies and regulations that are intended to improve equal opportunity and treatment in employment, such as facilitating working life for women with family responsibilities by means of breastfeeding breaks, maternity leave, family planning, health care, etc., or to combat sexual harassment and sexual violence at work.

It is important to indicate which sectors and industries are subject to the laws and regulations on equal opportunity and treatment in employment, including an approximate estimate of the proportion of workers covered.

The discussion of the legal framework is always more interesting when information is provided on comparable countries, which provides some perspective on the situation. It is also useful to highlight recent changes in laws and regulations in the text (Checklist 8-11).
Legal framework indicator 12. Equal opportunity and treatment

Discrimination exists when laws, rules or practices affect entry into employment, or treatment in employment, for reasons other than the capability of each worker. It is thus prohibited when it is based on the grounds set out in ILO standards, or on a wider set of grounds adopted at the national level. It may be based on a specific reason, such as gender, race, etc., whereby equal opportunities are denied (direct discrimination), or on an ostensibly neutral that nevertheless leads in practice to exclusion or preference (indirect discrimination). Freedom from discrimination is a fundamental human right and it is essential that workers be able to choose their employment freely, to develop their potential to the full and to obtain economic rewards on the basis of merit.

This indicator is closely related to the indicator on equal remuneration, and the correct implementation of almost all the other indicators depends on it, because none of them can be applied properly unless the workplace operates in a climate of equality and protection against discrimination.

ILO standards on equal opportunity and treatment

The Discrimination (Employment and Occupation) Convention, 1958 (No. 111), which is a fundamental Convention of the ILO, is the main standard on this subject, though many others refer explicitly to non-discrimination or are based on the Convention. It requires ratifying States to declare and pursue a national policy designed to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation. The use of the term “employment or occupation” means that the Convention applies not only to those who are employed by an employer but also to those carrying out other jobs (for instance, the self-employed, contractors, those practising professions) – in other words, anyone who works. This policy should be carried out with a view to eliminating any discrimination in respect of work.

The Convention defines discrimination as “any distinction, exclusion or preference made on the basis of race, colour, gender, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation”. In preparing a Country Profile attention should be paid to whether national law is consistent with this definition.

While discrimination between men and women remains prevalent in virtually all countries, close attention should be paid also to other form of prohibited discrimination, whose importance will vary depending on national circumstances. It is important that the meaning of the grounds for discrimination be made quite clear:

- **Race** is a concept that is more social than biological.
- **Colour** is related to race, but discrimination based on colour is common even among persons of the same racial group.
- **Sex** refers literally to biological differences between men and women but it is increasingly seen as referring also to sexual orientation and, for instance, to apply to transgender (or transsexual) people as well. While women are usually more subject to discrimination on grounds of gender, men may also be affected.
- **Religion** means not just the particular religion one may profess but also the very presence or absence of religious belief.
Political opinion is most often a ground for discrimination – positive or negative – by governments, but it may also arise in the private sector.

National extraction, which is not synonymous with nationality, refers to people who are citizens of a country but whose origins lie elsewhere, or who are descended from citizens of other nations.

Social origin refers to distinctions based on social class or caste.

Convention No. 111 provides for States to add other prohibited grounds after consulting with employers’ and workers’ organizations, and a growing number of countries have banned discrimination based on health (notably, HIV status), marital status, sexual orientation, and so on. Discrimination does not have to be intentional for it to be prohibited. There are many cases where laws and practices designed to be protective end up excluding part of the population from having access to equal opportunities – for instance, laws intended to protect women from doing certain kinds of work or working at night often deny women access to certain jobs simply because of their gender.

National labour statistics should examine how the different parts of the population are integrated into the labour market. If there are disparities in employment rates or in the kind of employment available to groups of the population on grounds of their gender, ethnicity or other characteristics, then the Country Profile should inter alia address this situation of unequal opportunity or treatment.

Legal framework indicator 13. Equal remuneration of men and women for work of equal value

The principle of equal remuneration for men and women workers for work of equal value is a particular aspect of equality that refers to the establishment of rates of remuneration without discrimination based on gender. Women earn less than men in all countries, even when they carry out the same jobs, and it is this state of affairs that this principle is intended to correct. The Country Profile should take this into account, accordingly to the seriousness of the pay gap and on its characteristics.

The principle of equal pay applies to all workers. Beyond the mere notion of equal remuneration for the same or equal work, however, the concept of “work of equal value” takes into account the fact that in practice men and women often engage in different kinds of work and that the work done by women is valued less than work usually done by men. For instance, occupations involving care-giving and meticulous, repetitive work are predominantly assigned to women and they tend to be valued less highly than work requiring physical strength or the ability to travel without regard to the family situation, which is more often reserved for men. This principle applies not only to work done by men and women in a particular undertaking but also to occupations across the board in the country as a whole.

Statistics at the national level should indicate the average earnings of men and of women, in general and in different occupations. If they do not, it should be ensured that this is done in the future. Once the information is available, the Country Profile can begin to target any inequalities that come to light.

A good place to start ensuring equal remuneration is often in the public sector, where the Government has direct control over the pay of its employees.
Occupational segregation by sex

- **Occupational distribution by gender for major occupational groups**

Country Profiles to date almost always describe occupational sex segregation by the distribution of employment of men and women, using one-digit major group occupational data, and this is a good way to report its general contours. These data can be reported by means of figures, and three such ways of reporting the gender distribution of one-digit occupational data are suggested at the end of this chapter (see Section 4). Each figure provides a different perspective on occupational segregation by gender, and the figure(s) best suited to each Country Profile will depend on national circumstances.

- **Occupational sex segregation, use of indexes to measure its overall level, and need for disaggregated occupational data**

The index of dissimilarity is the most common index for measuring the overall level of occupational segregation by sex because it is the most commonly used measure of overall inequality in the distribution of men and women among occupations.

While one-digit major group occupational data are useful for describing occupational sex segregation in broad brush strokes, they are not useful for measuring the overall level of occupational segregation by sex or the degree to which women are able to choose their occupation. For this reason, it is strongly recommend that two-digit and/or three-digit minor or unit group occupational data be used to measure and describe (i) the overall level of occupational segregation by sex using the index of dissimilarity, and (ii) the limited occupational choice available to women and the concentration of women workers in relatively few occupations. Thus, the ID can range from 0 (no segregation, with the same percentage of women in all occupations) to 1.0 (complete segregation with all men and women working in different occupations). More detailed two-digit and three-digit data with at least 50 or more occupations classified are required if an index such as the index of dissimilarity is to be used to measure the overall level of occupational segrega-
Occupational segregation by sex. It is generally inappropriate to use the index to measure occupational segregation by sex using one-digit occupational data.

- **Occupational segregation and the usefulness of reporting feminization and “masculinization” of several large occupations**

A better analysis is possible if the percentage of women and the percentage of men as well as number of men and women workers are reported (i) for the five or ten largest occupations in terms of the number of men and women workers, and (ii) for the five or ten occupations in terms of the highest percentage of women and the highest percentage of men. This information helps to give context to a Country Profile and will be of interest to users. It can also be used to indicate the extent to which women have a smaller set of occupations to choose from than men.

One-digit major groups are very broad and usually heterogeneous as regards occupational segregation by sex. For example, women are generally well represented among professionals and this major occupational group often appears to be reasonably well shared by men and women workers. However, this impression of gender-integration among professionals is usually misleading, because most women professionals work in only a few occupations (such as nursing and teaching). A similar phenomenon occurs in other major occupational groups. For example, women are generally well represented in crafts and related trades and so this major occupational group generally may appear to be well gender-integrated. Yet, here again, women are generally concentrated in a few occupations, such as the manufacture of textiles and garments.

The situation described above shows how useful it can be to identify important “female” and “male” occupations and report this information in the Country Profile, so that users can better appreciate the type of occupations in which men and women workers are concentrated. This can be done by indicating the five largest male and five largest female occupations in terms of employment as well as the five occupations with the highest percentage of women workers and the highest percentage of men. For this it would be best to use occupational data at the minor group level as they are between more disaggregated unit group data and insufficiently disaggregated major group or major sub-group data.

- **Occupational segregation by sex in countries with a high level of employment in agriculture**

It is recommended that the overall level of occupational segregation as well as the percentage of women in five or ten of the largest occupations be analysed using data for non-agricultural occupation in countries with very large agricultural employment. There are several reasons for this. First, agricultural employment in such countries is mainly family-based and so determinants of female labour force participation and discrimination are not the same as in non-agricultural employment. Second, agricultural employment of women on family farms is often under-reported because of a misunderstanding as to what economic activity actually means. Third, because of the large size of agricultural employment, the percentage of women in agriculture dominates and, in essence, determines general statistics such as the index of dissimilarity and the percentage of men and women workers in the five largest occupations. As a result, important differences in occupational segregation by sex in non-agricultural occupations are likely to be hidden (Checklist 1-3, and Suggestions 1-4 and 7 for figures/graphs).
Female share of employment in senior and middle management

Women around the world are under-represented in senior and management positions. Yet these jobs are important from the standpoint of gender equity and gender stereotyping as they carry prestige, authority and responsibility and the extent to which women gain access to such positions can be a powerful indicator of women’s position in the labour market and in society.

It is worth looking at how changes in women’s share of employment in senior and middle management over time are related to such factors as male-to-female education levels and per capita economic growth, and so whether women’s access to management positions increases with an improvement in their level of education and economic development, as one would expect.

The statistical indicator “Female share of employment in senior and middle management” measures the percentage of senior and middle management positions held by women (i.e. sub-major group codes 11 and 12 of ISCO-88) and not the percentage of women in “management” positions (major group code 1 of ISCO-88). The reason for using only codes 11 and 12 and excluding sub-major group code 13 is that the one-digit management major group in ISCO-88 includes business owner-operators who in many countries run small, often informal sector businesses. This means that those preparing a Country Profile need to be careful to measure this indicator using only data for sub-major group codes 11 and 12 in ISCO-88. In the Country Profile of the Philippines, for example, whereas women accounted for 53 per cent of ISCO-88 occupational groups 1, they made up 42 per cent of ISCO-88 occupational groups 11 and 12. In some countries this difference is much larger (Suggestion 9 for figures/graphs).
Reference period, size of gender wage gap and usefulness of reporting gender wage gap per hour worked

Women around the world receive lower pay than men. This pay gap is a powerful reminder and indicator of women’s weak position in labour markets.

Gender wage gap is highly sensitive to the reference period used to measure it, almost always increases as the length of the reference period increases. Thus, the gender wage gap is almost always much greater when the reference period is one month compared to when it is one hour. The reason for this is that women generally work fewer hours per month and per week in labour force defined activities than men. For example, 42 per cent of women workers and 4 per cent male workers work part-time in Austria in 2008. In Indonesia a difference in hours worked is probably part of the reason why the gender wage gap is so much higher for casual workers (51 per cent) than for regular employees (22 per cent). The sensitivity of the gender wage gap to the reference period implies that this gap should be reported per hour worked whenever possible.

Whenever possible, it is important to indicate the gender wage gap based on an estimate of hourly wages - whether or not the gender wage gap based on monthly pay is reported. Note that it is worthwhile reporting the gender wage gap for major occupational groups, since it differs so much by occupation. This give a useful insight the parts of the labour market where gender inequity and discrimination are greatest. It is also worthwhile relating the gender pay gap to other factors such as occupational segregation and female education levels (Checklist 4-7, and Suggestions 5, 6 and 9 for figures/graphs).

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

This indicator illustrates women’s relative position in the labour force, especially in developing countries where non-agricultural wage employment (essentially in the formal sector) tends to offer higher and more regular earnings, better benefits and wider social protection compared to self-employment and unpaid family work.

It is worthwhile relating changes in this indicator to changes over time in real GDP per capita and in women’s educational attainment in order to investigate whether women’s share of non-agricultural wage employment rises with increases in real GDP per capita and women’s education (Suggestions 8 and 9 for figures/graphs).

Summary

A short summary of the main findings and conclusions as well as possible policy options for reducing gaps in decent work indicators should be provided at the end of this chapter. The summary should discuss inequality and discrimination and progress toward their elimination in terms of gender and other characteristics of workers.
3. Checklist of issues that should be considered

Need for detailed occupational data to estimate the overall level of occupational sex segregation using an index of dissimilarity

Although one-digit occupational data should be used to describe occupational segregation by sex, more disaggregated occupational data is needed to for estimating the index of dissimilarity or any other index (see above).

Usefulness of reporting some indicators for non-agricultural labour force in countries with a large agricultural sector

When most workers are in agriculture, occupational segregation indexes and ratios are more or less determined by the situation in that sector. In countries with a large agricultural sector it is therefore important to report these indicators on the basis of data for non-agricultural employment. Otherwise, gender differences in occupational segregation by gender for non-agricultural occupations are likely to be obscured.

Usefulness of reporting size and feminization of large occupations to measure the extent to which women have limited occupational choice

A fact of life in many countries is that women workers are concentrated in relatively few gender-stereotyped occupations and so have a limited choice of occupations in which to work. This has not been brought out in Country Profiles to date, and for this reason it is highly recommended that in future they indicate the number and percentage of women workers (i) in the five largest occupations in terms of women workers, and (ii) in the five occupations with the highest percentage of women. It is best to base these statistics on two-digit or three-digit minor group occupational data, as these are sufficiently but not excessively detailed for the purpose.

Effect of the reference period on the observed gender wage gap, and usefulness of always reporting the gender wage gap per hour worked whenever possible

As discussed in this chapter, the size of the gender wage gap observed is sensitive to the reference period used to measure it. For this reason, whenever possible, the gender wage gap should be reported per hour worked. In this way, the extent of unequal pay and possible discrimination by gender are better measured, since monthly pay is greatly affected by hours worked per month and part-time work is often voluntary (even though, of course, voluntary choice of part-time work is determined for many women by social norms regarding gender roles).
Gender wage gap for major occupational groups, rural/urban areas and regular/casual workers

Have you looked at differences in the gender wage gap by major occupational group, for rural and urban areas, and for regular and casual workers? Considerable insight can be gained into inequalities and discrimination by gender by tabulating data in this way. When discrimination and inequality are especially high in less skilled occupations, this has major implications for poverty and the working poor. For example, the monthly gender wage gap for casual workers in Indonesia is 51 per cent compared to 22 per cent for regular employees; and in the Philippines the daily gender wage gap is 27 per cent for unskilled labourers and 4 per cent for clerks.

Wage gap and percentage of workers in middle and senior management occupations for disadvantaged groups other than women

Have you reported and discussed differences in these indicators for disadvantaged groups besides women, since gender is not the only basis for discrimination and inequality in employment?

For example, according to Brazil’s Country Profile, the wage gap is greater for Blacks compared to Whites than for women compared to men (45 per cent compared to 30 per cent) and the difference in percentage in middle and senior management positions is greater for Blacks compared to Whites (88 per cent versus 12 per cent) than for women compared to men (71 per cent versus 29 per cent).

Types of workers covered by gender wage gap data

Have you indicated the types of workers and sectors/industries reflected in the wage data used to measure the gender wage gap? This is important, because only employees receive wages and in many developing countries employees have a higher work-related income than self-employed and contributing family members who often work in the informal sector. Moreover, although gender wage gap estimates are usually based on labour force surveys or censuses that include all workers, they are sometimes drawn from the administrative records of larger formal establishments.

Legal grounds for prohibiting discrimination

Have you considered all the legal ground on which discrimination in employment is prohibited in your country? Besides a worker’s gender, other grounds might include race, colour, religion, political opinion, national extraction, social origin, family status, pregnancy, age, disability, migrant status, trade union membership and health.

Coverage of laws and regulations

Have you indicated, at least in approximate percentage terms, the proportion of workers who are effectively covered by laws and regulations on equal opportunity and treatment in employment? Have you indicated the sectors, occupations, public sector or size of enterprise where cover-
age is relatively high or low? Note that the percentage effective coverage can be measured and reported using the broad percentage ranges recommended by the ILO.

**Recent changes in laws and regulations**

Have there been any notable changes in laws or regulations in recent years? It is important to point this out along with possible effects it might have had or is likely to have in the future.

**Laws and regulations in comparable countries**

How are laws and regulations in your country similar to or different from those in comparable countries? Providing this type of information makes Country Profiles more interesting and gives greater perspective to the situation in your country.

**Policies and laws for improving equal opportunity and treatment in employment**

Have you mentioned and discussed possible policies that might improve equal opportunity and treatment in employment? Besides laws prohibiting discrimination, there may for example be policies and laws that could help women combine work and family responsibilities, raise minimum wage for the many low-wage women workers, change the provisions that restrict women’s employment (e.g., that prohibit night work for women), train women for non-traditional occupations, provide women with access to credit to start or expand a business, introduce a quota system for women in parliament, or raise public awareness of such gender issues as stereotyping.
4. Suggestions for figures/graphs

Occupational segregation by sex based on one-digit major group occupational data

Figures 1 to 3 below use one-digit major group occupational data to describe the extent to which women workers are represented in different major group occupations. Each figure provides a different perspective on occupational segregation by sex.

- Figure 1 is generally the best figure to use in Country Profiles, since it shows in one figure the average overall percentage of women in the labour force, the absolute percentage of women in each major group occupation, and the overrepresentation or under-representation of women in each major group occupation.

- Figure 2, which uses representation ratios (i.e. percentage of women in occupation \(i\) relative to the average overall percentage of women in the labour force), may be preferred in countries where the average percentage of women is not far from 50 per cent.

- Figure 3, which uses the ratio of male to female workers in each major group occupation, is useful when one wants to emphasize the limited occupational choice for women, as it is much more dramatic than Figures 1 and 2.

In the case of Indonesia, Figure 1 indicates the percentage of women in each major group occupation in 2010. An average column is included with a line drawn across the figure to make it easy for readers to visualize where women are overrepresented in an occupation (i.e., where the percentage of women is greater than average) or under-represented (i.e., where the percentage of women is lower than the average). A line is also drawn across the figure at 50 per cent to distinguish visually between occupations when there are more or fewer women workers than male workers.

Figure 1: Percentage of women workers in major occupational groups, Indonesia 2010

Source: Decent Work Country Profile of Indonesia, 2011
Figure 2 indicates the extent to which women were over- or under-represented in each occupation in Indonesia in 2010, using representation ratios that are estimated by dividing the percentage of women in occupation \( i \) by the average overall percentage of women in the labour force. Women are over-represented when the representation ratio is above 1.0 and under-represented when the representation ratio is below 1.0. It is easy to see at a glance in this figure that women are overrepresented in white-collar and service major group occupations and in labouring and unskilled occupations whereas they are under-represented in farming, trades, plant and machine operators and assemblers and special occupations (mainly armed forces).

**Figure 2:** Representation ratio, major occupational groups, la2010

![Graph showing representation ratios for various occupational groups.](graph)

*Source: Decent Work Country Profile of the Indonesia, 2011*
Figure 3 indicates the male-female ratio in Indonesia in each major group occupation, which is estimated by dividing the percentage of men in occupation $i$ by the percentage of women in occupation $i$. Notice how figure 3 shows up occupations with a low percentage of women (e.g., the ratio of 9.3 male workers to every woman worker among plant and machine operators and assemblers. By contrast, there are fewer male than female workers in all of service and white-collar major group occupations.

**Figure 3:** Male/female ratio for major occupational groups, Indonesia, 2010

Source: Decent Work Country Profile of Indonesia, 2011

**Female employment in the five largest female occupations based on minor group occupational data**

Pie chart showing the ratio of male workers to women workers.

Side-by-side pie charts for two points in time are effective. The purpose of this type of figure is to observe (i) the extent to which women workers are concentrated in relatively few occupations and thus the extent to which they have a limited choice of occupations available, and (ii) changes over time in types of occupation available to women.
Gender wage gap by major occupational group

The purpose of Figure 4 is to observe how the gender wage gap differs by type of occupation. For example, in the Philippines, Figure 4 shows how the gender wage gap differs across one-digit major group occupational groups for two time periods, where the gender wage gap increased in nine of the ten major group occupations. The only major group occupations where the gender wage gap decreased is plant and machine operators, where women earn more than men on average.

Note that the values for the two earliest years (2001 and 2002) and the two latest years (2009 and 2010) were averaged because annual values appeared to fluctuate somewhat randomly.

Figure 4:  Gender wage gap for major occupational groups, Philippines, 2001/02 - 2009/10

Source: Decent Work Country Profile of the Philippines, 2012
Relationship between the gender wage gap and the percentage of women for major occupational groups

Figure with gender wage gap in major group occupations on y axis, percentage of women in major group occupations on x axis.

The purpose of Figure 5 is (i) to observe whether the “overcrowding” of women in occupations depresses wages in them, and (ii) to identify occupations where the observed relationship does not operate. In the figure, which is based on data from the Philippines, there is at best a weak negative relationship, indicating that the gender wage gap is not related to the percentage of women.

Figure 5: Relationship between gender wage gap and percentage of women in major group occupations, Philippines, 2010

Source: Decent Work Country Profile of the Philippines, 2012

Relationship between change in percentage female in professional, technical and management occupations and change in female education

Figure with data over time (or bar chart with data for two different years separated by 5-10 years), with values plotted for the percentage of women in professional, technical and management major group occupations as well as the women’s level of education (measured preferably by secondary school or university completion rate, or literacy rate if necessary).

The purpose of this figure is to observe (i) whether increases in women’s education are helping to improve women’s employment opportunities in white-collar occupations where education should be important, and (ii) if there is no relationship, to explain why not.
Relationship between women’s share of wage employment in the non-agricultural sector, women’s educational attainment and real GDP per capita

Figure with women’s percentage share of wage employment in the non-agricultural sector, women’s educational attainment (in percentages or as the ratio of women to men) and the real GDP per capita on y axis, and year on x axis.

The purpose of this figure is to observe whether women’s share of non-agricultural wage employment rises with economic growth and with an increase in their educational attainment, as one would expect.

Inequality in employment opportunities faced by disadvantaged groups

Women are not the only group that faces discrimination and inequality in employment. They are also encountered by other disadvantaged groups in middle and high-level management, in the wage gap and in the share of non-agricultural wage employment and should be reported when possible.
Chapter 9:
Safe work environment
1. Purpose of Chapter 9

This chapter is concerned with safe work and ensuring working conditions that preserve and promote the physical and psychological health of workers. Safe work also improves work performance. It is difficult to measure the quality of working conditions directly, and representative statistics on working conditions (air quality, noise level, chemical exposure, safety equipment, etc.) are therefore not widely available. For this reason, the statistical indicators on safe work proposed within the ILO framework measure outcomes (fatal and non-fatal occupational injuries) and monitoring (labour inspection).

<table>
<thead>
<tr>
<th>Statistical decent work indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAFE-1. Occupational injury frequency rate, fatal - (M)</td>
</tr>
<tr>
<td>This indicator is defined as the number of fatal occupational injury cases per hours worked by the population concerned during the reference period. It is a measure of the risk of having a fatal occupational injury in terms of the duration of exposure to adverse work-related factors.</td>
</tr>
</tbody>
</table>

| SAFE-2. Occupational injury frequency rate, non-fatal - (A) |
| This indicator is the number of new cases of non-fatal occupational injury per hours worked by the population concerned during the reference period. It is a measure of the risk of having a non-fatal occupational injury in terms of the duration of exposure to adverse work-related factors. |

| SAFE-3. Time lost per occupational injury - (A) |
| This indicator measures the consequences of occupational injuries in terms of lost days. It is the total number of days lost due to new cases of non-fatal injury resulting in temporary incapacity during the reference year divided by the total number of occupational injuries in the reference group during the reference year. |

| SAFE-4. Labour inspection (Inspectors per 10,000 employed persons) - (A) |
| This rate measures the number of labour inspectors per 10,000 employed persons as a crude proxy measure of the resources for monitoring and enforcing working conditions and standards. |

The legal framework indicators corresponding to the four statistical indicators are “Employment injury benefits” and “OSH labour inspection”:

*Employment injury benefits* provide compensation for work-related injuries and occupational diseases. They include medical care, cash benefits for temporary or permanent loss of earnings and cash benefits in the event of the death of the breadwinner. This legal framework indicator focuses on income replacement in case of employment injury (cash benefits for loss of earning).

*Labour inspection in the field of occupational safety and health* (OSH) involves examining a workplace to assess and control risks to health and safety at work from the perspective of work issues or other work-related pressures. The enforcement of health and safety regulations is only one dimension of the work of the labour inspectorate, which is concerned with the enforcement of regulations concerning working conditions in general.

The first three statistical indicators may give rise to a problem of availability of data, as reporting of injuries and fatalities is generally incomplete and many fatalities and injuries go unreported. This is in part because very often only certain industrial sectors and types of workers are covered.
by administrative records and low-wage workers, casual workers and informal sector workers are not included. It is also partly because of disincentives to reporting occupational injuries.

The definition of injuries varies from country to country. Whenever possible, therefore, countries supplement these indicators by other statistics on safe work. For example, several countries have supplemented data on the number of inspectors with data on the number of inspections and supplemented data on the number of occupational injuries with data on the number of cases of occupational diseases. In the Country Profiles for the Philippines and Indonesia, for example, the proportion of injuries that are permanent or temporary has been added. The Profiles for Azerbaijan and Ukraine indicate the frequency of unhealthy working conditions and unsanitary working conditions based on national definitions. And Brazil’s Country Profile indicates the number of injuries while commuting to work and of occupational injuries and diseases on the basis of insurance records.

It is also be useful to make selective use of qualitative information on safe work obtained from government agencies responsible for safe work, labour inspectors and major companies in sectors with inherent safety issues, such as mining, construction and agriculture. It would be interesting, too, to know what government agencies and labour inspectors feel are the main problems and solutions, how labour inspectors believe they could improve their effectiveness, and whether there have been any recent initiatives by major companies to improve safety, for example in mining.

2. Discussion

Introductory paragraphs

This chapter could include a brief discussion on why safe work is an important aspect of decent work and a discussion of relevant laws and regulations.

Legal framework and institutions

Discussion of laws and regulations on occupational safety and health should be combined with a discussion of the number of labour inspectors and labour inspections. It is important to indicate which sectors and industries are subject to a great deal of labour inspection and which are not, as well as the approximate proportion of workers subject to inspection in theory and practice and the type of workers and sectors that are rarely inspected, if at all. The discussion of employment disability benefits should also look at their possible effect on the reporting of injuries and fatalities and therefore the reliability of administrative records. More perspective can be given if the discussion includes information on laws and regulations in comparable countries. For example, Ukraine’s Country Profile compares its situation to that of countries in the European Community. Finally, it can be very useful to highlight recent changes in laws and regulations (Checklist 1-3).
Legal framework indicator 14. Employment injury benefits

Employment injury benefits provide compensation and income replacement for work-related injuries and occupational diseases. They include medical care, cash benefits for temporary or permanent loss of earnings and cash benefits in case of the death of the breadwinner. This legal framework indicator focuses on income replacement in case of employment injury (cash benefits for loss of earning).

Selected international labour standards on income replacement in case of employment injury

The contingencies covered by the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Employment Injury Benefits Convention, 1964 (No. 121), include, inter alia, morbid condition (i.e., an illness or other condition that makes a person unwell, as a result of either disease or injury) and incapacity for work or loss of faculty due to work-related injuries and occupational diseases. Convention No. 121 places an obligation on ratifying States to define what constitutes an “industrial accident” covered by these schemes and to establish a list and/or definition of occupational diseases. Convention No. 121 covers nine branches of social security, including employment injury benefits. Part VI provides inter alia for periodical payments corresponding to at least 50 per cent of the reference wage (i.e., wages at a particular point in the beneficiary’s working life which are considered the “normal” income) in cases of incapacity for work or invalidity. Convention No. 121 provides for periodical payments corresponding to at least 60 per cent of the reference wage. The rate should be revised when substantial changes have occurred in the cost of living (see similar needs to adjust for cost-of-living changes referred to in legal framework indicators 4 and 16. A lump sum is permitted in some exceptional circumstances but it is not the preferred option. No qualifying period may be prescribed before a worker becomes entitled to receive benefits for occupational injuries; the benefits must be granted throughout the “contingency”, i.e., as long as the person concerned is affected or incapacitated by the employment-related injury.
Legal framework indicator 15. OSH labour inspection

One of the main functions of labour inspection is to provide safe and healthy working conditions, and it is an aspect of labour administration (see legal framework indicator 1). Labour inspection in the field of occupational safety and health (OSH) involves examining a workplace to assess and control risks from health and safety at work issues or other work-related pressures, and to provide assistance to employers to correct those risks. It should be noted that the enforcement of health and safety regulation is only one dimension of the work of the labour inspectorate, which is also concerned with the enforcement of regulations concerning working conditions in general.

Selected ILO standards on OSH labour inspection

The Labour Inspection Convention, 1947 (No. 81), and the Labour Inspection (Agriculture) Convention, 1969 (No. 129), are concerned with labour inspection in its broad sense. Convention No. 81 requires ratifying States to maintain a system of labour inspection for workplaces in industry and commerce (exceptions are possible with regard to mining and transport). It sets out the basic functions and fields of action covered by labour inspection, the duties and rights of labour inspectors and the basic lines of labour inspection as a system. Specific functions of the labour inspectorate (Article 3 of Convention No. 81) include:

a. to secure the enforcement of the legal provisions relating to ... safety, health and welfare, ... in so far as such provisions are enforceable by labour inspectors;

b. to supply technical information and advice to employers and workers concerning the most effective means of complying with the legal provisions;

c. (to bring to the notice of the competent authority defects or abuses not specifically covered by existing legal provisions.

Convention No. 129 is similar in content to Convention No. 81 but concerns the agricultural sector and confers more rights on labour inspectors.

Over 60 ILO standards have specific provisions on occupational safety and health and labour inspection (including the Labour Inspection (Seafarers) Convention, 1996 (No. 178), the Occupational Safety and Health and the Working Environment Convention, 1981 (No. 155), the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), and the HIV and AIDS Recommendation, 2010 (No. 200)). A large number of ILO Conventions, Recommendations and codes of practice focus on safety and health at work and on labour inspection both for the enforcement of safety and health requirements and for providing assistance to employers for their full application.

This legal framework indicator is related to other indicators, including those on child labour for the prevention of hazardous work for children.

The labour inspectorate can normally operate only in the formal economy but, because the relevant statutes are written in broad terms, they often have a mandate to cover all enterprises and this may take them also into the informal economy. Labour inspection is particularly vulnerable to cuts in national budgets, and there is often pressure to reduce their law enforcement role to allow for greater self-regulation by enterprises.

The labour inspectorate is required by the Conventions, and by national law in most countries, to publish regular reports of the number of inspections made, violations found and corrective measures (fines and other measures) that are imposed. This is the foundation on which corrective measures have to be based, if needed.
Fatal and non-fatal injury rates and days lost

It is important to pay attention to the data sources and definitions used and, whenever possible, to include additional information such as the distribution of employment by sector on reported rates, the type of injuries, and the type of occupational diseases (Checklist 8-10 and 12, and Suggestions 1-4 and 6 for figures/graphs).

- **Data on occupational injuries have often limited coverage and a limited reporting system**

Data are especially under-reported in certain sectors and for some types of workers. Reporting of injuries to the Government is also affected by disability benefits for occupational injuries under the law. These reporting issues must always be kept in mind in discussions (see Checklist 4-7, 11).

**Data source and completeness of reporting**

Data sources and reporting systems for safe work indicators vary. Workplace injury data are generally drawn from administrative records which are frequently very incomplete, and so occupational injuries and fatalities are often greatly under-reported. This means that a critical appraisal of completeness of reporting is essential, as is whether disability benefits and changes in disability benefits have influenced the number of reported cases. Brazil’s Country Profile, for example, explains that when the system of benefits changed there was a large increase in the reported number of cases.

**Data source and types of worker covered**

Fatal and non-fatal occupational injury data are generally drawn from administrative records that often cover only large enterprises in certain industries and sectors of the economy. This means that workers with lower incomes in unregulated sectors where safety is likely to be worse are often not covered. It is therefore important to describe the administrative reporting system and indicate which workers and sectors tend to be covered and which tend not to be. It is particularly important to indicate the extent to which workers and sectors not covered by the administrative system are more likely to have unsafe working conditions.

**Data source and major changes in reported rates from one year to another**

Because of incomplete reporting, major changes in reported incidence rates for injuries or fatalities from one year to the next year should be treated with scepticism, unless the reason for a major change can be explained. As reporting improves there is often an apparent increase in incidence, because cases are reported that would have previously gone unreported. For example, Zambia’s Country Profile reports a four-fold increase in the number of non-fatal injuries and a six-fold increase in fatal cases over a four-year period; such a seemingly dramatic deterioration in the situation in a short period of time is almost certainly attributable to a change in the system of reporting rather than to real changes in incidence.
Effect of the distribution of employment by sector on the reported rate

Distribution of employment by sector can have a major effect on reported fatal and non-fatal injury rates because unsafe working conditions vary greatly by sector. Mining, fishing, construction and agriculture are relatively dangerous sectors, and so the greater the percentage of employment in these sectors the higher the injury and fatality rates will be. This effect interacts with differences in the completeness of reporting in administrative systems among sectors and establishments of different sizes. In some countries one or a few industries account for most of the reported injuries and fatalities. In Zambia copper mines are especially important. In Ukraine coal mining is responsible for 70-80 per cent of reported occupational injuries. This means that when such a sector declines in importance over time the injury and fatality rates will decline even if working conditions remain unchanged for most workers in the country. Consequently, it is important when possible to report rates by industrial sector. The Country Profile of the Philippines reports rates for industrial and service sectors, and Azerbaijan’s Country Profile reports rates for industry, transportation, construction, communication and other sectors.

Definition of workplace injuries

The definition of what constitutes a workplace injury varies from country to country and it is therefore important to indicate the national definition clearly. For example, Brazil’s Country Profile for 2009 includes a detailed description of what constitutes an occupational injury and what is not included; injuries while commuting to and from work are included in Brazil, for instance.

Type of injury

Whenever possible, it is worth reporting the breakdown of fatal and non-fatal injury rates by type of injury. For example, Indonesia’s Country Profile reports non-fatal injuries by level of severity: injuries leading to permanent disability, injuries leading to temporary inability to work, and injuries not affecting work time. The Country Profile of the Philippines reports whether injuries caused permanent or temporary incapacity. Austria’s Country Profile provides information from a labour force survey on the distribution of physical strain and psychological strain for men and women and discusses the shifts in stress factors from physical to psychological inherent in current patterns of work. Brazil’s Country Profile divides injuries into occupational injuries that are inherent in the nature of the occupation or activity, commuting injuries, and occupational diseases.

Diseases

Information on important occupational diseases or hazardous exposure is also useful. The Country Profile Austria, for example, indicates the frequency of the most common occupational diseases (such as hearing loss, skin disease, asthma, infectious disease, etc). The Country Profiles of Brazil and the Philippines also indicate occupational disease rates. Ukraine’s Country Profile discusses cancer hazards and exposure to chemical substances, while South Africa singles out HIV/AIDS for special attention.
Other indicators of safe work

Some countries collect and report additional information on safety of working conditions. Azerbaijan’s County Profile, for example, indicates by sector the number of employees who work in conditions that do not meet the regulation sanitary standards, engage in hard physical labour and use equipment that does not meet safety standards. The Country Profile for Ukraine indicates the number of employees working in conditions that are below the health and safety standards set by the Government.

Labour inspectors and inspections

Labour inspection is a proxy for a State’s ability to enforce safe work laws and regulations and so prevent occupational injuries. But intensity of coverage varies greatly by sector and industry, since inspections often concentrate on certain industries and sectors such as mining and manufacturing. It is therefore important to bear in mind that the reach and depth of labour inspection differ from one sector to the next.

Data on the number of inspectors and number of inspections per 10,000 workers are widely available. For these numbers to be meaningful, it is necessary to provide some perspective on the degree to which inspections are sufficient to affect work safety significantly. One way to do this is to discuss the situation in important sectors as labour inspection, while adequate in some, may be more or less absent in others. Another way is to draw on qualitative information gathered from informal discussions with labour inspectors (Checklist 11, and Suggestion 5 for figure/graphs).

Summary

This subsection should provide a short summary of the main findings and conclusions for this aspect of decent work.

3. Checklist of issues that should be considered

Recent changes in laws and regulations

Have there been any notable changes in laws or regulations in recent years? It is important information to point this out along with possible effects it might have had on safe work or is likely to have in the future.

Coverage of laws and regulations

Have you indicated at least the approximate percentage of workers covered by laws and regulations on safe work? Have you indicated the type of jobs, the enterprises, the sectors (including the public sector), the occupations or the size of the enterprises where coverage is relatively high or low? Note that percentage coverage can be indicated using the broad percentage ranges recommended by the ILO.
Laws and regulations in other similar countries

Are laws and regulations in your country similar to or different from those in comparable countries? Country Profiles are more interesting if they provide some perspective on the situation in your country.

Data sources, reference period, and definitions

Have you discussed how data were collected, what reference period was used, and what definitions were used? It is essential that this is indicated, and conclusions need to be drawn as to what it implies for coverage and for the significance of the indicators.

Types of workers covered by statistical indicators on safe work

Have you discussed and indicated which workers and sectors/industries are covered by the occupational injury data? To what extent are self-employed and contributing family workers covered? To what extent are workers in the informal sector covered? To what extent are casual workers and low-paid workers covered? Which sectors and occupations are and are not covered? Are seasonal workers covered? Do workers not covered tend to have a higher or lower fatal and non-fatal injury rate?

Sectors and occupations where work is especially risky

Have you indicated which sectors or industries have especially high injury rates, such as mining, fishing, construction, agriculture? Are there large industries where work is especially dangerous, such as coal mining in Ukraine and copper mining in Zambia?

Completeness of reporting of occupational injuries

Occupational injuries are almost always under-reported, and sometimes very much so, and the extent to which this is the case with fatal and non-fatal injuries needs to be discussed. While the completeness of reporting may vary according to the type of establishments covered, it also depends on the incentive or disincentive to report injuries.

Differences in safe work by gender, area and vulnerable groups

Have you looked at differences in fatal and non-fatal injury rates for men and women, rural and urban areas, and the disadvantaged groups identified in Chapter 1? Whether or not you can do this will depend on the quality and completeness of the data.

Effect on injury rates over time of changes in the distribution of employment by sector and possible standardization of indicators

Changes in injury rates are usually sensitive to changes in the distribution of employment by sector, because injury rates are sensitive to distribution of the employment by sector and are
often higher in certain sectors. When measuring overall change over several years, it is therefore useful to standardize the injury rates for the distribution of employment by sector and/or to focus on changes in particular sectors.

**Have there been any major changes in injury rates from one year to another?**

Are there any major changes in injury rates from one year to the next? If so, have you explained this and indicated whether it was due to reporting problems or to real events, such as a mine disaster?

**Views of labour inspectors and the government department responsible for labour inspection, and notable safety programmes of major companies in sectors with inherent work safety issues**

One way of obtaining interesting information on safe work and working conditions is to speak to those responsible for enforcing work safety. Although this is qualitative information, it can be useful for a Country Profile, as can information on the safety programmes of major companies in sectors with inherent safety issues, such as mining.

**Hazardous exposures and occupational diseases**

Have you discussed any hazardous exposures or occupational diseases that have not been taken into consideration by the indicators, such as exposure to hazardous chemicals or dust? What policies are in place to improve the situation?
5. Suggestions for figures/graphs

Comparison of fatal and non-fatal injury rates

Figure with fatal and non-fatal injury rates on y axis, year on x axis.

The purpose of this figure is to observe the trends and internal consistency of reported numbers of fatal and non-fatal injuries. In Austria for example (Figure 1), both fatal and non-fatal injury rates fell between 1998 and 2007. 

Figure 1. Fatal and non-fatal injury rates, Austria, 1998-2007

Percentage distribution of occupational injuries by type of injury

Bar chart with percentages for earliest year(s) and latest year(s).

The purpose of this figure is to show trends in the incidence of different types of injury.

Source: Decent Work Country Profile of Austria, 2009
Fatal and non-fatal occupational injury rates by sector and key industries or occupations

The purpose of this figure is to observe how reported fatal and non-fatal injury rates differ by sector and if they are especially high in certain sectors. In the example of the Philippines (Figure 2) time on the x axis is somewhat distorted because of missing data for some years. There are also some data issues: (i) the fatal injury rate is greater than non-fatal injury rate for services in 2000, 2002, and 2003; (ii) the differences between fatal and non-fatal injury rates are unrealistically small; (iii) it is therefore hard to have confidence in the reported fall in fatal and non-fatal injury rates.

Figure 2: Occupational injury rates per 100,000 employed persons in industry and service establishments employing 20 or more workers Philippines, 2000-2009

Source: Decent Work Country Profile of the Philippines, 2012

4. Fatal and non-fatal occupational injury rates by gender, vulnerable groups, rural and urban areas and employment status

The purpose of this figure is to indicate which groups, areas, etc. have higher rates. The figure should be presented only if the reporting of injury data is believed to be reasonably complete.
Relationship between number of labour inspectors and occupational injury rate

The purpose of this figure is to identify a possible relationship between labour inspection and reported injuries. In the example from Brazil (Figure 3) both the number of inspectors and the number of occupational fatalities fell between 1996 and 2007.

**Figure 3:** Number of fatal occupational injuries and number of labour inspectors per 100,000 employed persons Brazil, 1996-2007

Source: Decent Work Country Profile of Brazil, 2009
Additional indicators on working conditions

Whenever available, additional information on working conditions should be used in Country Profiles. An example from Azerbaijan is illustrated in Figure 4.28

Figure 4:   Number of employees working in conditions not meeting sanitary-hygienic standards by industrial sector, Azerbaijan 2000-2009*

Source: Decent Work Country Profile of Azerbaijan, 2012

Note that Figure 4 could be improved if it included the rate per 100,000 employees, since the higher number in industry could be due to the larger number of workers in this sector. Employees working in unhygienic conditions were reported to be 3 per cent of all employees. A national definition has been used for standards of hygiene.
Chapter 10: Social security
1. Purpose of Chapter 10

Adequate social protection is an important aspect of decent work. Protection from the major risks in life through social protection helps keep people out of poverty and prevents them from being thrown into poverty when unforeseen catastrophes occur, such as an accident, an illness or the loss of a job or in old age when work is impossible or very difficult. Social protection in many countries also includes cash and other transfers to the poor. While all countries have some forms of social protection, they differ in the level and types of social protection they provide, partly depending on their level of development and their ability to pay.

Social security covers a broad range of benefits which, depending on the country, may include: (i) old-age pensions; (ii) health care; (ii) support for persons and families with insufficient income (poverty alleviation, child support, family support); (iv) disability insurance (occupational and non-occupational); (v) sick leave; and (vi) unemployment insurance.

More specifically, social security covers all measures that provide benefits in cash or in kind to secure protection inter alia from: (i) a lack of work-related income (or insufficient income) as a result of sickness, disability, maternity, employment injury, unemployment, old age or the death of a family member; (ii) the lack of access (or at least the lack of affordable access) to health care; (iii) insufficient family support, particularly for children and adult dependants; and (iv) general poverty and social exclusion.

The ILO framework on measuring decent work lists ten statistical indicators for monitoring the progress made by countries towards their social security objectives. Some of these indicators are scheduled for development by the ILO.

<table>
<thead>
<tr>
<th>Statistical decent work Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SECU-1. Share of population above the statutory retirement age (aged 65 or above) benefiting from an old-age pension – (M)</strong></td>
</tr>
<tr>
<td>This is the proportion of the population above the statutory retirement age or aged 65 and above who receive an old-age pension</td>
</tr>
<tr>
<td><strong>SECU-2. Public social security expenditure (percentage of GDP) – (M)</strong></td>
</tr>
<tr>
<td>This is the total public social security expenditure expressed as a percentage of the gross domestic product (GDP) and reflects the country’s social spending effort relative to the size of its economy.</td>
</tr>
<tr>
<td><strong>SECU-3. Health expenditure not financed out of pocket by private households – (A)</strong></td>
</tr>
<tr>
<td>This indicator is used as a proxy for affordable access to health care. The percentage of total (public and private) healthcare expenditure which is not financed by out-of-pocket payments by private households is approximately equivalent to the percentage of total (public and private) healthcare expenditure in the country covered either by general government or by pre-paid private insurance, by private employers or NGOs.</td>
</tr>
<tr>
<td><strong>SECU-4. Share of economically active population contributing to a pension scheme – (A)</strong></td>
</tr>
<tr>
<td>This indicator captures the share of the economically active population protected through a contributory pension scheme without double counting (i.e., benefits guaranteed but not currently being received).</td>
</tr>
<tr>
<td><strong>SECU-5 Share of eligible population covered by (basic) health care provision – (F)</strong></td>
</tr>
<tr>
<td>To be developed by the ILO.</td>
</tr>
</tbody>
</table>
The three legal framework indicators that correspond to these statistical indicators concern old-age social security or pension benefits (public/private), incapacity for work due to sickness/sick leave (income replacement in case of sickness/sick leave) and incapacity for work due to invalidity (income replacement in case of non-occupational invalidity).

- **Old-age social security or pension benefits (public/private)** refers to all benefits paid to persons who have withdrawn from the labour market following retirement and who meet certain requirements as to retirement age, residence, nationality, etc.

- **Income replacement in case of sickness** is part of the health and sickness social security which covers any benefits provided to maintain, improve or restore the health of the persons protected as well as their ability to work and to attend to their needs. Paid sickness benefits are periodic cash benefits paid on a regular basis as income replacement in respect of a temporary inability to work caused by illness and/or injury; they do not include other sickness cash benefits (such as allowances for intensive care), special bonuses, or benefits in kind.

- **Invalidity benefits** cover any benefit arising from the partial or total inability of a protected person to participate in any gainful activity owing to a non-occupational chronic condition resulting in a disease, injury, loss of a member or body function prior to attaining the standard retirement age. Invalidity benefits arise when the inability to engage in any gainful activity is likely to be permanent or persists after the period during which the beneficiary is entitled to a benefit for temporary incapacity.

### 2. Discussion

**Introductory paragraphs**

The introduction may begin with a brief discussion of the philosophy and purpose of social security or by describing (i) the country’s social security system and its administration and history, (ii) the aspects of social security covered, and (iii) the type of persons and workers covered.
Legal framework and institutions; the history of social security

The discussion should include a brief account of the history and development of the country’s social security system and its coverage. It should indicate the pensionable age and whether the pensionable age differs for men and women. For all three legal indicators discussion should provide a rough estimate of the percentage of workers and the type of workers covered. Are the self-employed, unpaid family workers and workers in the informal economy covered, or is coverage mainly restricted to workers in larger formal sector establishments (Checklist 1-3)?

Legal framework indicator 16. Pensions (public/private)

Social security pensions refer to all benefits paid to persons who have withdrawn from the labour market on account of their age or retirement. They are paid to persons who meet certain requirements (insured active persons reaching retirement age, residence, nationality, etc.). Social security may be based on previous employment during which the persons covered have paid into a public or private insurance scheme; in other cases it may be available to all who have reached a certain age and have ceased their economic activity (sometimes including women who have never worked outside the home and thus have no employment record, for instance). While it is closely linked to the formal economy in most countries, it can also benefit the informal economy. However, recent studies show that over 70 per cent of all workers in the world have no social security coverage. Many social security schemes are under severe financial pressure as the proportion of older and younger workers changes, so that there are fewer younger workers funding the retirement of older workers.

Selected ILO standards on pensions

Part V of the Social Security (Minimum Standards) Convention, 1952 (No. 102), provides for periodic payments corresponding to at least 40 per cent of the reference wage, for people who have retired. The reference wage means the wage during a certain period of the worker’s active life and usually corresponds to periods when earnings were highest, but the way this period is defined varies among countries. The rates of relevant benefits must be revised following changes in the general level of earnings and/or the cost of living. The Invalidity, Old-Age and Survivors’ Benefits Convention, 1967 (No. 128), provides for periodic payments corresponding to at least 45 per cent of the reference wage. (See also the Invalidity, Old-Age and Survivors’ Benefits Recommendation, 1967 (No. 131).) A qualifying period may be prescribed (for example, 30 years of contributions and 20 years of residence for the full benefit, or 15 years of contributions or employment for a reduced benefit). The benefits last until the death of the beneficiary.

In drawing up a Profile, it is necessary to examine who is covered and what proportion of the population who qualify in terms of age or retirement are actually covered. It is also useful to examine the level at which pensions are paid, and their relation to the costs of living. The frequency of adjustment of benefits as the cost of living changes is likewise important for maintaining a decent standard of living. Employment statistics (legal framework indicator 1) by average age of workers can help to predict the future needs of the pension system.
Legal framework indicator 17. Incapacity for work due to sickness/sick leave
Income replacement in case of sickness/sick leave

Income replacement in case of sickness is part of health and sickness social security and covers the provision of any benefits to maintain, improve or restore the health of the person protected as well as his/her ability to work and to attend to his/her needs. Its basic function is the same as employment injury and invalidity benefits (legal framework indicators 16 and 18). Paid sickness benefits are periodic cash benefits paid on a regular basis as income replacement owing to a person’s temporary inability to work because of illness and/or injury. They do not include other cash benefits (such as allowances for intensive care), special bonuses or benefits in kind.

Selected ILO standards on sickness benefits

According to the Income Security Recommendation, 1944 (No. 67), “sickness benefit should be paid [in cases of] loss of earnings due to abstention from work necessitated on medical grounds by an acute condition, due to disease or injury, requiring medical treatment or supervision”. The Social Security (Minimum Standards) Convention, 1952 (No. 102), Part III, provides for periodic payments corresponding to at least 45 per cent of the reference wage. The Medical Care and Sickness Benefits Convention, 1969 (No. 130), provides for periodic payments corresponding to at least 60 per cent of the reference wage. A qualifying period may be imposed (that is, a worker may have had to work for a certain period before being eligible to receive these benefits); benefits are granted throughout the illness/injury; and the Conventions allow ratifying States to limit the duration of benefits to 26 weeks (Convention No. 102) or 52 weeks (Convention No. 130) in each case of sickness.
Data source and coverage issues

- Data source, types of workers covered and completeness of reporting

The statistical indicators for social security rely to a large extent on data from administrative records on the number of older persons receiving a pension, the number of workers contributing to a pension, social security expenditure by government, and health care expenditure by government. These data may be supplemented by population census data for the number of persons in old age, by labour force surveys for the size of labour force, and by household surveys for private expenditure on health care. This means that the quality and accuracy of the statistical social security indicators depend on the quality and completeness of the administrative reporting system and records, and the quality of the administrative records should therefore be discussed before analysing statistical levels and trends.

- Major changes in year-to-year values

Social security indicators are generally fairly stable from year to year. This means that a major change in a short period of time such as one year is unlikely unless there has been a corresponding change in the law or the reporting system. This in turn means that a major change from one year to another should be explained in the text. For example, according to the Country Profile of Ukraine there was a major increase in the ratio of average pension to average wage between 2003 and 2004, which rose from 39 per cent to 54 per cent, and this calls for an explanation.
What is included in social security?

Since public social security expenditure as a percentage of GDP depends on what is considered part of social security in the country, it is important to indicate which aspects of social security are included under the country’s social security administration.

Value of using additional statistics on social security when available

Given the small number of the ILO’s statistical social security indicators and the breadth and complexity of social security, countries should include information on any future or other relevant indicators in their Country Profile where possible. This would provide an opportunity to discuss major poverty alleviation programmes, to indicate the population coverage of the public health care system and to put the adequacy of old-age pensions more into perspective.

Public social security expenditure as a percentage of GDP

The share of GDP spent on social security is an indicator of how important social security is for the country as it reflects the Government’s overall public redistributive effort. Since this share is affected by what is covered by social security programmes at the national level and differs from country to country, it is important to indicate which aspects of social security are covered.

It is useful to indicate public social security expenditure by modality of spending when these data are available. For example, Austria’s Country Profile reported social security expenditure of health care, old-age and other items, and Brazil reported expenditure on social assistance, health care, and other social security items. This kind of breakdown provides an insight into the relative size of different aspects of social security as well as which areas are increasing and which have remained unchanged or decreased in recent years. Finally, an issue worth discussing is the effect labour market flexibility is having on social security coverage and expenditure (Checklist 3-4, and Suggestions 1-3 for figures/graphs).

Old-age pension

Pension coverage

Two statistical indicators are concerned with the coverage of old-age pensions: the share of population above statutory retirement age benefiting from an old-age pension, and the share of the economically active population contributing to a pension scheme. These two indicators generally have different values. In Brazil for example, while 85.4 per cent of the population aged 65 or older received a pension in 2007, only 52.6 per cent of workers aged 16 or older contributed to social security. Such differences should be explained. Both indicators of pension coverage should be reported by gender, race, and residence (rural or urban) when possible.
Size of pension

It is important to know how large pensions are compared to needs, especially basic needs. While the legal framework indicators on social security indicate how pensions are calculated, it is worth discussing the adequacy of pensions. Where possible, it is useful to compare average pension to the average wage, to the low-pay threshold and to the per capita poverty line and not just to the minimum wage (see the ratio of average old-age pension received to minimum wage, which is one of the indicators to be developed by the ILO). It might also be very useful to measure the proportion of pensions that fall below the low-pay threshold and per the capita poverty line.

For example, Ukraine’s Country Profile compares average pension to average wage. Although pension coverage is good in Ukraine, pensions are around one-third to a half of the average wage. Partly because of this, labour force activity is higher among people of pensionable age in Ukraine than in most other European countries. Furthermore, households in which only a pensioner is receiving an income are often poor in Ukraine, as can be seen from the fact that 58 per cent of such households spent more than 60 per cent of their income on food in 2009. In many countries women pensioners are especially vulnerable, partly because they have generally earned less than men during their working lives and partly because, since women have a longer life expectancy than men, many older women support themselves on widows’ survivors’ benefits. In Ukraine pensions are on average around one-third lower for women than for men (Checklist 5-8, and Suggestions 4-5 for figures/graphs).

Out-of-pocket medical expenditure of private households and health care security

Health-care benefits are an important part of the social security system. As with other parts of the system the source of financing varies. Health care may be financed by the public or the private sector, or by a mix of public and private insurance and out-of-pocket medical expenses. How health care is financed in your country should be described, along with the quality and availability of public health care services.

Private out-of-pocket medical expenses pose a particular problem as they are a form of expenditure that cannot be anticipated and that is often large enough to throw families into poverty. The proportion of health care expenditure that is not out-of-pocket expenses is a proxy for health care security, since it has been shown to be negatively related to the proportion of households with catastrophic health expenditure.29 As the proportion of health expenditure not financed out of pocket increases, the proportion of families facing catastrophic health expenditure decreases along with the risk of falling into poverty.

Given the lack of a direct measure of the health care coverage of households, information on health care insurance is very useful if it is available. The Country Profile for the Philippines, for example, indicates the share of the population covered by national health insurance. It would also be useful to indicate the share of the population covered by private health insurance and the proportion of the population without any health insurance coverage. Whenever possible,

health care security indicators should be reported for men and women, important vulnerable
groups and rural-urban areas (Checks list 9-11, and Suggestion 6 for figures/graphs).

**Cash income support for the poor**

The State is the guarantor of last resort to ensure a minimum livelihood for its citizens in many
countries. Indeed, ensuring minimum livelihood is part of the rationale for various forms of
social security such as invalidity benefits, unemployment benefits, old-age pensions, survivors’
pensions, social assistance, and family and child benefits. Social assistance is an important
area for decent work, because many workers are working poor. One aspect of social assistance
for the poor that has received increased attention in recent years is cash income support, such
as the *Bolsa família* in Brazil. Decent Work Country Profiles should include information and
available statistics on basic income support from the State for the poor.

**Summary**

This subsection should provide a short summary of the main findings and conclusions for this
aspect of decent work.

3. Checklist of issues that should be considered

**Recent changes in laws and regulations**

Have there been any notable changes in laws or regulations in recent years? This is important
information to be pointed out along with effects this may have had on labour market conditions
or is likely to have in the future.

**Laws and regulations in other similar countries**

Are laws and regulations in your country similar to or different from those in comparable
counties? This type of information helps to give perspective to the situation in the country.

**Scope of social security**

Have you indicated which aspects of social security are included under social security in your
country? This is necessary information, because the scope of social security determines the
reported volume of public expenditure as a per cent of GDP.

**Social security expenditure by type of expenditure**

Have you indicated public social security expenditure by modality of spending? This is impor-
tant information when it is available because the aspects of social security covered differ from
country to country. It also provides an insight into aspects that are increasing in importance and those that have remained the same or decreased.

**Old-age pension coverage**

Are certain groups not well covered by old-age pensions? How are individuals who never worked treated? Under what circumstances are family members and/or dependents covered by old-age pensions? Are workers in the informal sector generally covered? Are self-employed and unpaid family members generally covered?

**Retirement age for men and women**

Is the retirement age indicated in the report? Is retirement age the same for men and women?

**Differences in pension coverage for groups, areas, sectors and occupations**

Have you tabulated and discussed differences in the percentage of persons contributing to social security and the percentage of elderly persons who are beneficiaries of a pension for men and women, rural and urban areas, and disadvantaged groups identified in Chapter 1?

**Size of pension**

Have you provided information about the size of the average pension? Are there population groups with small pensions?

**Public health-care system**

Have you described the public health-care system, including access to care, quality of care and the cost to households, especially for catastrophic and major health problems? This is especially important for poorer and low-paid workers.

**Health insurance system**

Have you described the basic parameters of the health insurance system in your country and the extent to which it is public, private or mixed? Have you indicated the extent to which health insurance is related to employment, and whether self-employed and unpaid family members workers are generally covered?

**Health insurance coverage**

Have you indicated which population groups (e.g., women or certain races or religions) and types of workers (e.g., self-employed, unpaid family workers and informal sector workers) are less likely than others to have private health insurance or access to public health care and are therefore especially vulnerable to unexpected large medical costs?
Labour market flexibility and social security

Have you considered how increasing labour market flexibility has been affecting social security, including the number of workers contributing to social security and the number of elderly persons receiving pension?

5. Suggestions for figures/graphs

Public social security expenditure by type of expenditure

Bar chart indicating the modality of public social security expenditure over time (Figure 1).

This information could also be presented in a side-by-side pie chart for earliest and latest available data years (e.g., for 1995 and 2005 here). The purpose of this figure is to indicate the relative size of different aspects of social security and how they have changed in recent years. One reason for the large increase in Brazil’s “other” spending is the increase in spending on conditional income transfers for the poor, such as the *Bolsa família*.

**Figure 1:** Federal public social security spending as a percentage of GDP by modality of spending, Brazil, 1995-2005

Source: Decent Work Country Profile of Brazil, 2009
Relationship between public social security expenditure as a percentage of GDP and of real per capita income

Graph with time on x axis, social security expenditure as a percentage of GDP and of real per capita income on y axis.

The issue here is whether the share of social security expenditure in GDP increases with economic development. Two examples of the graph are provided below (Figures 2 and 3):

- The first graph (Figure 2) is for Indonesia, where security expenditure increased with economic development from 1996 to 2009, even though it fell temporarily between 1998 and 2008 because of economic crises.

- The second graph (Figure 3) compares the experiences of Indonesia and the Philippines. Despite similar growth in real per capita income between 1996 and 2008 in both countries, public social security expenditure as a percentage of GDP grew rapidly in Indonesia while remaining at a lower level and more or less unchanged in the Philippines.

Figure 2: Relationship between social security expenditure as a percentage of GDP and of real GDP in PPP, Indonesia, 1996-2009

Source: Decent Work Country Profile of Indonesia, 2011
Figure 3: Relationship between social security expenditure as a percentage of GDP and of real GDP in PPP, Indonesia and Philippines, (1996-2009)

Source: Decent Work Country Profile of the Philippines, 2012 and Indonesia, 2011.

Pension beneficiary rate disaggregation
Bar chart of pension beneficiary rates for earliest year(s) and latest year(s) for men and women, rural and urban areas, employment status, key industries and occupations, and the disadvantaged groups identified in Chapter 1.

Difference between percentage of workers contributing to pension and percentage of old age persons receiving pension
Bar chart with year on x axis, percentage on y axis.

The issue here is the extent to which these percentages differ and how they have been changing in recent years. In the example of Brazil (1992-2007) below (Figure 4) the share of beneficiaries receiving pension is much higher than the share of workers contributing to social security. Note how both have increased in recent years.
Figure 4: Share of the population age 65+ who receive a pension and share of workers 16+ who contribute to social security, Brazil, 1992-2007

Source: Decent Work Country Profile of Brazil, 2009

Real value of average pension relative to average wage and/or low-pay threshold and poverty line

Graph with year on x axis, real value of average pension, average wage and basic needs on y axis.

The issue here is the purchasing power of pensions and whether they are sufficient to meet workers' basic needs, as well as how this has been changing in recent years. In the example of Ukraine (1998-2009) below (Figure 5 the average pension in Ukraine has been rising over time in real terms as well as relative to average wage.
Figure 5: Relationship between average pension and the ratio of average pension to average wage, Ukraine, 1998-2009

Source: Decent Work Country Profile of Ukraine, 2011

Relationship between private health care expenditure and economic growth/development

Graph with time on x axis, out-of-pocket private health care expenditure as a percentage of health care expenditure and real per capita growth are on y axis.

The issue here is whether the burden of health care expenditure on households decreases with economic growth and development.
Chapter 11: Social dialogue, workers’ and employers’ representation
1. Purpose of Chapter 11

Social dialogue plays a key role in helping countries to achieve decent work for workers. It covers all forms of negotiation, consultation and exchange of information between representatives of government, employers and workers on issues of common interest. It covers both institutions, such as social and economic councils, trade unions and employers’ organizations, and tripartite processes such as collective bargaining. Successful social dialogue structures and processes have the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability, and boost economic progress.

It is essential to measure and assess the extent to which the rights to social dialogue are exercised effectively. The four statistical indicators proposed by the ILO concern trade union density rate, employers’ organization density rate, the collective bargaining coverage rate, and days not worked due to strikes and lockouts. A future indicator is to be developed by the ILO on fundamental principles and rights at work (freedom of association and collective bargaining).

<table>
<thead>
<tr>
<th>Statistical decent work indicators</th>
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<tbody>
<tr>
<td><strong>DIAL-1. Trade union density rate - (M)</strong></td>
</tr>
<tr>
<td>This is the percentage of workers in a given reference group (employed/employees) who are trade union members. It provides a proxy measure of workers’ representation and of the influence of trade unions.</td>
</tr>
<tr>
<td><strong>DIAL-2. Employers’ organization density rate - (M)</strong></td>
</tr>
<tr>
<td>This is the share of enterprises belonging to an employers’ organization. It provides information on the coverage and representativeness of employers’ organizations.</td>
</tr>
<tr>
<td><strong>DIAL-3. Collective bargaining coverage rate - (M)</strong></td>
</tr>
<tr>
<td>This is the proportion of workers in employment whose pay and/or conditions of employment are directly or indirectly (e.g., through extension clauses) determined by one or more collective agreement(s).</td>
</tr>
<tr>
<td><strong>DIAL-4. Days not worked due to strikes and lockouts - (M)</strong></td>
</tr>
<tr>
<td>This indicator shows the direct impact of labour disputes on production and can provide indirect information on the effectiveness of social dialogue. It is calculated by dividing the total number of days not worked by the workers involved by the total number of workers covered by the statistics (and normalized to a standard unit “per 1,000 workers”).</td>
</tr>
</tbody>
</table>

The four statistical indicators are completed by three legal framework indicators on freedom of association and the right to organize, collective bargaining rights and tripartite consultations.

- **The freedom of association indicator** refers to the right to form and join workers’ or employers’ organizations to defend workplace interests. It includes the right of these organizations to conduct their internal administration in full freedom. It also covers the promotion of collective bargaining between workers and employers and the right to strike.

- **Collective bargaining** refers to the negotiation and conclusion of collective agreements to determine terms and conditions of employment.

- **Tripartism** entails dialogue and cooperation between governments, employers, and workers in the formulation of standards and policies dealing with labour issues. International labour standards are created and supervised through a tripartite structure that ensures that they have the broad support of all ILO constituents.
2. Discussion

Introductory paragraphs

The discussion should explain the importance of social dialogue and its possible prominence in the laws and even in the country’s Constitution.

Legal framework and institutions and history of social dialogue

Before discussing the three legal framework indicators for social dialogue, it is useful to describe the main laws and mechanisms for social dialogue both at the present time and from an historical perspective.

Discussion of the right of association and the right to organize should indicate how laws have changed over time, particularly with independence in the case of developing and transition economy countries. Noting restrictions on right to organize is important. For example, in Zambia workers in establishments with fewer than 25 workers as well as public sector workers are not allowed to form trade unions.

The discussion of collective bargaining rights usually covers mechanisms for collective bargaining and labour conflict resolution as well as restrictions on rights. For example, public sector workers in the Philippines are not allowed to strike. The discussion should also include tripartite consultation required by law and how the necessary machinery is set up and functions, as well as changes in the law over time.

Legal framework indicator 19. Freedom of association and the right to organize

Freedom of association refers to the right to form and join workers’ or employers’ organizations to defend workplace interests. It includes the right of these organizations to conduct their internal administration in full freedom. It also comprises the promotion of collective bargaining between workers and employers and the right to strike.

The rights of freedom of association and collective bargaining are intimately linked with virtually all other indicators on decent work. This is for two reasons. The first is that the development of decent work at the national level depends in large part on the active participation of both the employers and the workers in the country, working together with the Government to protect all the interested parties and the economy. The tripartite structure of the ILO itself should be mirrored at the national level to ensure industrial democracy, decent work and social justice. The second reason is that the application of many of the ILO standards referred to under other legal framework indicators may take place through the practice of collective bargaining as well as through legislation or regulations.

Selected ILO standards on freedom of association

The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), is a fundamental Convention which sets forth the right of all workers and employers, without distinction, to establish and join organizations of their own choosing without previous
Collective bargaining involves the negotiation and conclusion of collective agreements to determine terms and conditions of employment. It may also concern wider economic and social issues related to the world of work.

Selected ILO standards on collective bargaining

The Right to Organise and Collective Bargaining Convention, 1949 (No. 98), which is one of the ILO’s fundamental Conventions, builds on the foundations of Convention No. 87 (see above). It guarantees the right to collective bargaining, which ratifying states are required to facilitate as a means of setting conditions of work. The Convention also declares the right of workers to adequate protection against acts of anti-union discrimination and the right of workers’ and employers’ organizations to adequate protection against acts of interference.
Freedom of association and the right to collective bargaining are inseparable. This Convention does not deal with the position of public servants engaged in the administration of the State and may not be construed as prejudicing their rights or status in any way (Article 6). This means that senior public officials – those engaged in the administration of the State – are simply not covered and that a Government may or may not choose to grant them collective bargaining rights. But it also means that all other public officials do have the right to bargain collectively, and that governments may not take away these rights.

The right to strike is not mentioned expressly in the Convention, but the ILO supervisory bodies have said that it is “one of the essential means through which workers and their organizations may promote and defend their economic and social interests. ... The right to strike is an intrinsic corollary to the right to organize protected by Convention No. 87.” (ILO: Digest of Decisions of the Committee on Freedom of Association, paras. 522 and 523.) Restrictions may be placed on the way in which this right is exercised, but the right to strike may only be prohibited if the strike would place the life, health or well-being of all or a part of the population at risk. Strikes that cause inconvenience and economic costs are not covered by this exception, but only those that put the population at real risk.

In drawing up a Country Profile the coverage of the laws regulating the right to bargain collectively should be determined (see legal framework indicator 19) and information gathered on whether any categories of workers do not have the right to bargain. (This may in some cases be public servants, including teachers, or hospital staff, or other categories.) If the right of any particular category to bargain is non-existent or limited, mention should be made of whether alternative means of determining wages and conditions of work exist, such as arbitration, etc. This includes information on any structures or mechanisms that may have been created to favour collective bargaining. The Decent Work Country Profile should include a plan to extend the right to bargain to all workers over time, except for those excluded from the Convention. Similar information should be gathered on the right to strike or to take other forms of industrial action.

**Legal framework indicator 21. Tripartite consultations**

Tripartism entails dialogue and cooperation among governments, employers and workers in formulating standards and policies dealing with labour issues at the national level. National labour standards should be created and supervised through a structure that ensures that they have broad support from workers and employers as well as the Government. Tripartite consultations are also undertaken on the adoption, ratification and implementation of ILO standards.

**Selected ILO standards on tripartite consultations**

The Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), is one of the ILO’s “governance” Conventions, meaning that is considered of particular importance is organizing the way the labour market is regulated. It requires ratifying states to operate procedures that ensure effective consultation among representatives of the Government, of employers and of workers on matters that concern the ILO, such as items on the agenda of the International Labour Conference, the submission to parliament of newly adopted ILO standards, the re-examination of non-ratified Conventions and Recommendations, reports on ratified Conventions and proposals for the denunciation of Conventions. Consultations with employers and workers, who must be represented on an equal footing, should take place at least once a year.
There are two possible denominators for the four selected statistical indicators of social dialogue, and it is important to be clear in the text, tables and figures which denominator is used. **Comprehensive indicators** of social dialogue use the total number of employed persons (including the self-employed) for the denominator, while **narrow indicators** use the total number of employees; in other words, comprehensive indicators are rates for all workers and narrow indicators are rates for employees. Obviously, values for narrow indicators are higher than values for comprehensive indicators, the difference between them being dependent on the proportion of employees in a country.

**Rate per worker compared to the number of unions, employers’ organizations, collective bargaining agreements and strikes and lockouts**

Data on the number of unions, employers’ organizations, collective bargaining agreements and strikes and lockouts are more readily available than are data on the number of workers in trade unions and workers in enterprises belonging to an employers’ association or data on the number of workers covered by collective bargaining agreements or involved in strikes and lockouts. But the purpose of statistics on social dialogue is to measure the number of workers affected, and number of unions, employers’ organizations, collective bargaining agreements and strikes and lockouts is often a poor proxy. This is because unions, enterprises in employers’ organizations, collective bargaining agreements and strikes and lockouts can be big or small. There are many examples of major changes occurring from year to year in rates while the changes in numbers are small. One big strike or collective agreement or new enterprise in an employers’ organization can have a major effect on rates. For example, according to Ukraine’s Country Profile the proportion of workers who are employed in enterprises belonging to an employers’ organization went from 14.3 per cent of all employees in 2007 to 27.3 per cent of all employees in 2008, even though the percentage of enterprises belonging to an employers’ organization only went from 6.5 per cent in 2007 to 6.8 per cent in 2008.
Data sources

Observed values of statistical indicators of social dialogue differ quite substantially depending on the data source used. Registers and administrative records do not provide the same rates as labour force surveys. Administrative records cover only certain types of workers and are subject to incomplete reporting, while labour force surveys cover all workers. Reported values from labour force surveys are sensitive to workers’ knowledge, since workers may not know if they are covered by a collective bargaining agreement or in an enterprise belonging to an employers’ organization. It is important that the completeness and representativeness of data used in Country Profiles be critically appraised.

Year-to-year changes in values

It is possible for values of statistical indicators on social dialogue to display very major changes from year to year because of world events or because of problems with administrative reporting systems or labour force survey methodologies. National analysis should explain major changes; for example, there may have been a major strike in a particular year, or a large enterprise may have joined an employers’ association, or there may have been a collective bargaining agreement covering a large number of workers.

Union membership

Recent trends in union membership rates should be discussed, bearing in mind that trade unions need to be effectively free and independent to be considered as unions for the purposes of ILO Conventions. In countries where state or company unions predominate and effective independence is questionable, this should be noted.

Membership of unions should be indicated by gender, ethnic or racial group, rural and urban area and, when possible, by sector. The level of and trends in the percentage of women union members should be explained, taking into consideration the percentage of women in the non-agricultural labour force as a whole. For example, in the Philippines women’s share of union membership has been increasing in recent years partly because the service sector in which women predominate has been growing rapidly. It is also useful to indicate the representation of women among union officers. Zambia’s Country Profile, for example, noted that the share of women workers in leadership position in trade unions is low.

Employers organizations

This section should discuss trends in enterprises’ membership in employers’ organizations, as well as how these organizations function, what they have achieved and how they affect workers. Whenever possible, statistics on employers’ organizations should indicate the proportion of workers covered by such organizations; a rough approximation using several ranges is acceptable.
Collective bargaining coverage

This section should indicate trends in the proportion of workers covered by collective bargaining agreements. The importance of collective bargaining varies greatly from country to country, and the breakdown by gender, ethnic and racial groups, rural and urban area and industrial sector should be reported whenever possible. Note that coverage by collective bargaining agreements is not the same as union density, since it is not necessary to be a union member in order to be covered by a collective bargaining agreement.

Strikes and lockouts

This section is concerned with the level of and trends in the number of workers involved in strikes and lockouts. While the statistical indicator here is number of days lost per 1,000 hours worked, it is generally difficult to measure the indicator on this basis. Most of the available Country Profiles have either described a recent downward trend in the number of strikes (e.g., Ukraine’s Country Profile mentions fewer but longer strikes) or have used a variant of that indicator such as the number of strikes and lockouts. In most instances trends in the number of strikes and lockouts are so striking that knowing the numbers of work days lost per 1,000 hours worked might not have added much to the discussion.

It is important to keep in mind that fewer strikes and lockouts are not necessarily a sign of healthy social dialogue and improved relations between workers and employers. Rather, this could suggest that the workers’ position is weak vis-à-vis their employers or that social dialogue is non-existent or highly unequal. This is a good place to discuss the recent history of social dialogue in the country, whether there have been any major strikes, and how recent economic crises have been handled.

Other mechanisms for social dialogue and resolution of labour conflict

Assessing the quality of social dialogue institutions using complementary information is important. Other of social dialogue mechanisms can also be discussed, such as tripartite councils, worker councils and other arrangements where workers’ representatives can dialogue with employers. The Country Profile of the Philippines, for example, mentions tripartite peace councils, industrial tripartite councils and national industry tripartite councils. This may also be a good place to discuss other forms of ownership and worker participation in decision-making, such as worker-owned companies. The discussion should highlight the strengths and weaknesses of these mechanisms for social dialogue and for resolving labour conflict.
3. Checklist of issues that should be considered

Free and independent trade unions

Are unions free and independent of the State? How important are company unions where unions are weak and ineffective? How independent are unions in state-owned enterprises?

Representation of women in positions of union leadership

Have you considered the representation of women in union leadership? Are women under-represented among union officials? Statistics on the proportion of union officials who are women would be informative if they are available. If no statistics are available, this issue can still be discussed.

Data source, coverage and observed values of indicators

Observed values are affected by the data source, partly because the types of workers covered differ with the source and partly because reporting errors and completeness of reporting vary from one source to another. This needs to be clearly indicated and taken into consideration.

Definitions of union density rate and collective bargaining coverage and rate

ILO statistical indicators here are of two sorts; one calculates rates using all workers as the base, while the other uses employees as the base. Which definition is used needs to be clearly indicated.

Explaining major changes from year to year

A major change in the value of statistical indicators on social dialogue may be due to measurement error or real change. For example, a large strike will dramatically increase the number of workers in strikes and lockouts in that year. Similarly, when a very large company joins an employers’ organization the number of workers in enterprises belonging to employers’ associations will show a dramatic increase. It is important that major changes in particular years be explained, as otherwise there is no way of knowing if a major change indicates a real change.

Other forms of social dialogue and worker participation in decision-making

Have you considered and discussed other important forms of social dialogue in your country besides trade unions and collective bargaining agreements? Possibilities include tripartite and bipartite councils and worker councils as well as alternative forms of worker representation and participation in decision-making such as worker-owned enterprises.
4. Suggestions for figures and graphs

Union density rate by gender, area, and disadvantaged groups

Bar chart with bars for two years (early and recent year) for men and women, rural and urban areas and disadvantaged groups.

The purpose of Figure 1 below is to observe how union membership differs between groups and areas as well as how it has been changing in recent years. In this example from Brazil union membership grew much more rapidly for women and Blacks than for men and Whites; even so, men and Whites were still in the majority in 2007. There was almost no change in the union density rate between 1992 and 2007, and a large increase in union membership in rural areas was counterbalanced by a fall in union membership in urban areas. In this example, a line was drawn at the average level to make it easier to observe when rates are above or below average.

**Figure 1:** Trade union density rate by sex, race and rural/urban residence, Brazil, 1992 and 2007

*Source: Decent Work Country Profile of Brazil, 2009*
Union density rate by sector

Bar chart with bars for two years (early and recent year) for different sectors.

The purpose of this chart is to observe how union membership differs by sector as well as how this has been changing in recent years, since unionization always differs greatly between sectors. Another purpose of the figure is to consider the possibility that change in overall union density rate over time has been affected by changes in the distribution of employment by sector.

Relationship between union density rate, collective bargaining coverage rate and index of strikes and lockouts

Percentage and number of days on y axis, year on x axis. Values of union density rate, collective bargaining coverage rate and strikes and lockouts are plotted.

The purpose of Figure 2 below is to observe the extent to which these indicators have been moving together or diverging in recent years. In this example from the Philippines (1995-2010) the union density rate and collective bargaining coverage rate decreased along with the number of days not worked.

Figure 2: Union density rate, collective bargaining coverage rate, and average number of days not worked due to strikes and lockouts, Philippines, 1995-2010

Source: Decent Work Country Profile of the Philippines, 2012
Observed union density rate (observed collective bargaining coverage rate) and assumption on the coverage of workers

Bar chart of union density rates based on different assumptions for the denominator.

The purpose of Figure 3 below is to observe the sensitivity of the reported union density rate (collective bargaining coverage rate) to the denominator used to measure it (e.g., all workers, employees only, formal sector employees only). In this example from Austria three rates are considered: (i) the unadjusted collective bargaining rate (the number of employees under collective bargaining agreements as a percentage of all employees); (ii) the adjusted collective bargaining rate (the number of employees under collective bargaining agreements as a percentage of all employees who could be subject to collective bargaining agreements); and (iii) the extended collective bargaining rate (adding civil servants to the numerator and denominator of the adjusted collective bargaining rate, considering that the process of setting wages for civil servants, while not collective bargaining per se, is very similar to collective bargaining).

Figure 3: Adjusted, unadjusted and extended collective bargaining coverage rates, Austria, 2006

Source: Decent Work Country Profile of Austria, 2009
Wage gap for union members and non-union members

The wage gap for union members and non-union members is measured when the data source is a labour force survey and special tabulations are possible. 

*Average wage on y axis, year on x axis. Average wage for union members and non-union members is plotted. Alternatively, when data are only available for certain years, bar chart with average wage for earlier year and recent year for union members and non-union members.*

The purpose of this figure would be to observe how the wage premium received by union members has been changing in recent years.
Annex. Examples of statistical decent work indicators compiled for 14 pilot-countries and analysed by country groupings

In the pilot-testing phase, 14 countries have compiled decent work indicators and prepared decent work country profiles between 2009 and 2013, which helped identify key aspects of decent work where progress had been made over the past ten years, where no progress had been made or where the current situation was seen as inadequate\textsuperscript{30}.

The main figures and trends over the last decade are presented by group of countries according to their level of development: \textsuperscript{31}

i. Low-income countries;

ii. Lower-middle-income countries and;

iii. Upper-middle-income countries.

There are similar trends among countries with same level of development, and interestingly divergent trends for specific aspects of decent work, given that other factors, like institutional arrangements and policies differ from a country to another.

A summary of the main findings is presented with graphs in the following pages.

\textsuperscript{30} The full document is available at www.ilo.org/map

\textsuperscript{31} Note that two countries have compiled decent work indicators (from official data) but Profiles are still not yet published: Peru and South Africa. Other country profiles not included in this analysis are under preparation (Jordan, Namibia, Pakistan, Senegal).
Low-income countries (Bangladesh, Cambodia, Niger, United Republic of Tanzania)

- Rapid economic growth brought a decline in poverty, rising incomes and better standards of education and health.
- The employment structure is stable, with a predominant share of jobs in agriculture which is nevertheless but decreasing in favour of services. The share of employment in industry grew little in Asia.
- Employment creation, particularly for youth, is a priority in all low-income countries.
- Employment-to-population rates are rising except in Niger. They are high in Cambodia and the United Republic of Tanzania, reflecting the need of a majority to work, and low in Bangladesh and Niger owing to the scarcity of employment opportunities.
- The low unemployment rates in Cambodia and Niger point no so much to an improvement in employment opportunities but to the effect of poverty and lack of social protection on a population that could not afford to be unemployed.
- The youth unemployment rate is twice as high as that of the unemployment rate of the labour force as a whole. And in Bangladesh and Niger, more than a third of young people are not in employment, and not in education or training.
- High levels of informal and vulnerable employment in all the countries imply large decent work deficits, such as low wages, long working hours and lack of access to social protection.
- Progress towards adequate earnings and productive work fluctuates from one country to the other, but gender gaps persist everywhere. Working poverty and low pay remain a significant challenge as the countries report moderately decreasing indicators.
- Progress in decent working time is slow: excessive hours increased in all countries, while time-related underemployment remained high in Cambodia and Niger. Long hours affect more men than women while time-related underemployment concerns mostly women.
- Data remain scarce with regard to the work-life balance. The legal and policy framework has improved (thanks, inter alia, to statutory maternity leave), but progress is often hampered by the limited coverage of the law and by weak enforcement.
- The prevalence of child labour is still high even though gradual progress could be noted in all countries. With regard to forced labour, the countries now have a legal framework prohibiting the practice, but it is difficult to assess progress because of the lack of data.
- Continued deficits are observed in stability and security of work, with a large proportion of workers in precarious jobs during the 2000s.
- An enabling legal framework has been instituted in all the countries for promoting equality in employment, but more needs to be done on the ground to reduce gender inequalities. The share of women in non-agricultural wage employment is increasing, but barriers to higher wages and higher status jobs remain.
- Despite a legal framework regulating the working environment, the persistent shortage of means has hindered the functioning of the labour market institutions. All the countries recorded weaknesses in the reporting system for occupational injuries.
- The available data show advances with respect to the legal and policy context of social security, but the coverage of the population is limited. A significant proportion of formal employees, all informal workers and most self-employed persons still have little or no social protection.
- Where structures for social dialogue exist they are not always operational. Union density rates are generally low, and collective bargaining agreements are difficult to assess because of to the lack of data.
Graphs 1. Key statistical decent work indicators in the selected low-income countries

Sources: World Bank Database
Sources: Decent Work Country Profiles

Note: l.y.a.: last available year
Assessing progress towards decent work at the national level

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**Low pay rate (%)**

<table>
<thead>
<tr>
<th>Country</th>
<th>2000 or around</th>
<th>2005 or around</th>
<th>2010 or around</th>
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</thead>
<tbody>
<tr>
<td>Tanzania</td>
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<td>30.1</td>
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<td>Cambodia</td>
<td>46.9</td>
<td>37.9</td>
<td>36.7</td>
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**Time-related underemployment (%)**

<table>
<thead>
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<th>2010 or around</th>
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<td>Bangladesh</td>
<td>20.3</td>
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**Share of population aged above retirement benefitting from a pension (%)**

<table>
<thead>
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<th>Country</th>
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<th>2005 or around</th>
<th>2010 or around</th>
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**Union density rate (%)**

<table>
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<tr>
<td>Bangladesh</td>
<td>4.2</td>
<td>0.3</td>
<td>0.3</td>
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</tbody>
</table>

*Sources: Decent Work Country Profiles*
Lower-middle-income countries (Armenia, Cameroon, Indonesia, Philippines, Ukraine and Zambia)

- These are emerging countries with rapidly growing economies and decreasing poverty. They have undergone a notable economic, social and political transformation over the years.
- The employment structure has changed in favour of services, except in Armenia where the share of employment in agriculture doubled during the last decade to the detriment of the two other sectors.
- Demographic growth still exerts tremendous pressures in some African and Asian countries, while the CIS countries are confronted with a high level of outward migration.
- Employment trends vary from one geographical area to the other: low employment and high unemployment levels improved over the last decade in the CIS countries and the employment-to-population ratio was stable with decreasing unemployment in Asia and high with low but increasing unemployment in Africa.
- The situation is critical for the young people, among whom unemployment rates are two to three times higher than the overall figures. Young people not in education and not in employment rose to over 25 per cent in Armenia and in Asia and ranged from 10 to 20 per cent in the other countries.
- Reducing informal employment, which is especially high in Africa (90 per cent of total employment), is considered a challenge in all the countries. Gender disparities to the detriment of women are particularly flagrant.
- Progress towards adequate earnings varied from one country to the other. All the countries have minimum wage legislation, but it does not apply to all workers and falls far short of what is needed to keep workers above the poverty line.
- Working poverty rates show encouraging progress in Asian and CIS countries (between 30 and 20 per cent) but are critical in African countries (two-thirds of workers are poor in Zambia).
- Steps towards ensuring decent working hours have been taken by all the countries. From 25 to 32 per cent of workers in Asia and the CIS countries and no more than 10 per cent in African countries work long hours. Men are more likely than women to work excessive hours in terms of time-related underemployment.
- There has been a move towards a more decent work-life balance. However, women still bear a large share of family responsibilities and this restrains their access to employment. Social structures are changing in the CIS countries and in the Philippines as the number of working women who are heads of household increases.
- There is a downward trend in child labour in all the countries, but many working children are still at risk, especially in the African countries (23 per cent in Zambia and 40 per cent in Cameroon). Data on forced labour are lacking in most of the countries.
- Despite legislation, many paid workers are still in precarious jobs (59 per cent of paid workers in Zambia, 25 per cent in Cameroon). In Indonesia and Ukraine new employment opportunities were often characterized by their precarious nature.
- Progress in the legal framework to promote equality and tackle discrimination is evident, but law enforcement and the development of appropriate policies are lagging behind.
- The participation of women in the labour market increased in the 2000s overall, though the share of women in high-status occupations remains modest. Moreover, men continue to earn significantly more than women even though the gender pay gap has narrowed.
- The lack or the poor quality of data on occupational injuries makes it difficult to draw any meaningful conclusions. Several countries provided statistics showing that the situation is exacerbated by the shortage of inspectors, which reduces the institutional capacity to enforce safety regulations.
- There has been some progress in implementing and extending security systems, but their coverage is still a major challenge as own-account workers and informal workers often do not have any aces to social protection.
- All the countries guarantee freedom of association, the right to organize and the right to bargain collectively by law. Progress in social dialogue has been mixed, however, and the overall decline in union density is a major concern.
Graphs 2. Key statistical decent work indicators in the selected lower-middle-income countries

Sources: World Bank Database

Sources: Decent Work Country Profiles

Youth aged 15 to 24 years not in education and not in employment (%)

Sources: Decent Work Country Profiles

Informal employment (%)

Sources: Decent Work Country Profiles

Low pay rate (%)

Sources: Decent Work Country Profiles
Excessive hours (%)

<table>
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Sources: Decent Work Country Profiles

Time-related underemployment (%)

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Sources: Decent Work Country Profiles

Gender pay gap (%)

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Sources: Decent Work Country Profiles

Share of population aged above retirement benefitting from a pension (%)

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<td>4.9</td>
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</tr>
</tbody>
</table>

Sources: Decent Work Country Profiles

Union density rate (%)

<table>
<thead>
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<th>Country</th>
<th>2010 or around</th>
<th>2005 or around</th>
<th>2000 or around</th>
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<td>Cameroon</td>
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<td>2.3</td>
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<tr>
<td>Zambia</td>
<td>2.3</td>
<td>2.3</td>
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</tr>
</tbody>
</table>

Sources: Decent Work Country Profiles

Note: l.y.a.: last available year
Upper-middle-income countries (Azerbaijan, Brazil, Peru, South Africa)

- After a period of expansion, all these economies except Azerbaijan suffered from the 2008 global crisis and reported reduced or falling economic growth.
- The employment structure changed moderately over the 2000s. Services have gained some share of employment, most often at the detriment of agriculture.
- The employment-to-population ratio rose and recovered from the financial crisis from 2010-11 onwards. Unemployment decreased steadily, except in South Africa where it is among the most serious issues facing the country.
- Youth access to the labour market is also a predominant concern, and the youth unemployment rates (50 per cent in South Africa, 18 per cent in Brazil) are systematically twice as high as those of the working population. More promising is the slow decrease in the proportion of youth not in education and not in employment.
- Women workers are another vulnerable group, even if some countries (Brazil, Azerbaijan) show an encouraging trend towards gender equality.
- Brazil and South Africa produce indicators by population groups that show significant disparities. For example, in South Africa the employment-to-population rate reached 65 per cent for Whites and only 36 per cent for Black Africans.
- Informal employment declined over the last decade, except in Azerbaijan where self-employment rose significantly, especially among women.
- With respect to adequate earnings and productive work, advances are seen in Azerbaijan and Brazil where the statutory minimum wage has been increased substantially and had a positive impact on average real wage. Working poverty also dropped in Latin American countries. Progress is less obvious in South Africa where a third of the non-agricultural workers earn less than two-thirds of the median wage.
- Overall, fewer employed people work excessive hours, probably as a result of the recent crisis and, in the case of Azerbaijan, the efforts made to monitor overtime and enforce the law. In the meantime time-related under-employment rates have increased, especially among women.
- Progress towards a better combination of work, family and personal life is moderate. While more women are working than ever before, their share of family responsibilities has not diminished.
- Regarding child labour and forced labour, the scarcity of data makes the analysis of progress difficult. A positive trend is recorded in Brazil where child labour dropped from 11.8 per cent in 2004 to 9.8 per cent in 2009.
- Less stability and security of work are noticed as labour markets have shifted away from traditional employment patterns and suffered from the global economic crisis. The proportion of precarious jobs increased, especially among vulnerable groups (women, Black Africans and youth).
- All the countries introduced national laws to protect the rights of victims of discrimination, but progress is still needed on the ground. Azerbaijan and Brazil reported particularly large income differentials between men and women. On the positive side, these pay gap declined in Latin American countries over the last decade.
- Measures have been taken to improve safety and health conditions at the workplace but the poor quality of the data makes it difficult to draw any conclusion. Only Brazil displays indicators that report a decline in occupational injuries.
- The Governments made a major effort to expand the coverage of their social security system, with growing public social expenditure.
- Progress has been mixed with regard to social dialogue. Though freedom of association is granted by the law, union density rates are stable or declining slightly. Brazil describes collective bargaining as the most important institutionalized channel for dialogue between workers and employers.
Graphs 3. Key statistical decent work indicators in the selected upper-middle-income countries

**Change in real GDP per capita in PPP 2005$ indexed to 2003**

- Azerbaijan
- Brazil
- Peru
- South Africa

**Employment-to-population ratio (%)**

- Azerbaijan
- Brazil
- Peru
- South Africa

Sources: World Bank Database

**Unemployment, working age population and youth aged 15 to 24 years (%)**

- Azerbaijan
- Brazil
- Peru
- South Africa

Sources: Decent Work Country Profiles

**Youth aged 15 to 24 years not in education and not in employment (%)**

- Brazil
- Peru
- South Africa

Sources: Decent Work Country Profiles
Assessing progress towards decent work at the national level

Informal employment (%)

- Azerbaijan: 5.6, 10
- Brazil: 55, 63
- Peru: 46, 72
- South Africa: 31

Sources: Decent Work Country Profiles

Excessive hours (%)

- Azerbaijan: 10.6
- Brazil: 19.1, 15.6

Sources: Decent Work Country Profiles

Gender pay gap (%)

- Azerbaijan: 56.8
- Brazil: 30.9, 29.5, 29.3
- Peru: 12.9, 12.9

Sources: Decent Work Country Profiles

Share of population aged above retirement benefiting from a pension (%)

- Brazil: 86.8
- South Africa: 46.8

Sources: Decent Work Country Profiles

Note: l.y.a.: last available year
Assessing progress towards decent work at the national level
Guidelines

These guidelines on Assessing progress towards decent work at the national level are intended to serve as an important tool for ILO technical assistance to countries in preparing their national assessments on progress towards decent work and in analysing decent work indicators through an integrated approach.
They begin by presenting general issues concerning the analysis of decent work indicators and the preparation of the Decent Work Country Profiles. They go on to provide extensive guidance on analysing decent work indicators for the ten substantive element of the four pillars of the Decent Work Agenda: employment opportunities; adequate earnings and productive work; decent working time; combining work, family and personal life; work that should be abolished; stability and security of work; equal opportunity and treatment in employment; safe work environment; social security; and social dialogue, employers' and workers' representation.
These guidelines have been prepared on the basis of lessons learned from countries experience and provide concrete examples to illustrate important issues on analysing decent work indicators. They are designed to be a useful pragmatic tool for national assessments of decent work, providing tips and suggestions for analysing both statistical and legal decent work indicators all together, within national contexts and across different population groups. They complement the ILO manual on Decent work indicators (2013) which focuses on concepts and definitions, method of computation, data sources and metadata, and interpretation guidelines for each indicator.

These guidelines have been prepared with technical and financial assistance from the European Union under the ILO/EC project on Monitoring and Assessing Progress on Decent Work (MAP).