

Employment indicators for MDG monitoring



Regional Workshop on Monitoring and
Assessing Progress on Decent Work in
Asia

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MDG Employment Indicators Overview



1. Background to MDG Employment Indicators
2. Indicator definitions & uses, data sources & trends analysis
3. Sources for global and regional estimates & trends
4. Sources for monitoring national labour markets



MDGs: background



Following the 2005 World Summit, and the work of the Commission for Social Development and the Inter-Agency Expert Group on MDG indicators, a new target has been included under MDG1, Target 1B, since 2008. The first MDG now looks as follows:

Millennium Development Goal 1: Eradicate extreme poverty and hunger

MDG Target 1A: Halve, between 1990 and 2015, the proportion of people living on less than one dollar a day (three indicators)

MDG Target 1B: Achieve full and productive employment and decent work for all, including women and young people (four indicators)

MDG Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger (two indicators)

The MDG set now consists of 8 goals, 21 targets and 60 indicators; see <http://mdgs.un.org/unsd/mdg/Default.aspx> for the full list of goals, targets and indicators.



MDG Employment Indicators Background



- All five employment indicators (under MDG1b and MDG3) are explained in detail in the *Guide to the new Millennium Development Goals Employment Indicators*, which is available at:

<http://www.ilo.org/public/english/employment/docu/index.htm>

- The Guide includes definitions, data sources, calculations and analytical examples.
- The Guide also includes the full set of Decent Work Indicators, which allows for comprehensive monitoring of decent work.



MDG Employment Indicators



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

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



MDG3 Promote gender equality and empower women

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



MDG1B indicators

Employment-to-population ratio



- ✓ Employment-to-population ratios for persons aged 15+ and youth (15-24) by sex
- ✓ The EPR measures the proportion of a country's working age population that is employed
- ✓ $EPR = \frac{\text{Total employment}}{\text{working age population}}$
- ✓ Source of data: labour force survey or other household survey/population census with data on population and employment



MDG1B indicators

Employment-to-population ratio



- ✓ There is no single ‘correct’ employment-to-population ratio, but national EPRs are typically between 50-75 per cent
- ✓ Careful analysis of EPRs can be used to identify labour market issues such as low incomes, inadequate social security or gender imbalances. Analysis should cover comparisons of EPRs between labour market groups defined by sex or age, international comparisons, comparisons over time, etc.
- ✓ Analysis of labour market issues often necessitates investigation of additional indicators, e.g. vulnerable employment rates, unemployment rates, or enrolment rates in education.

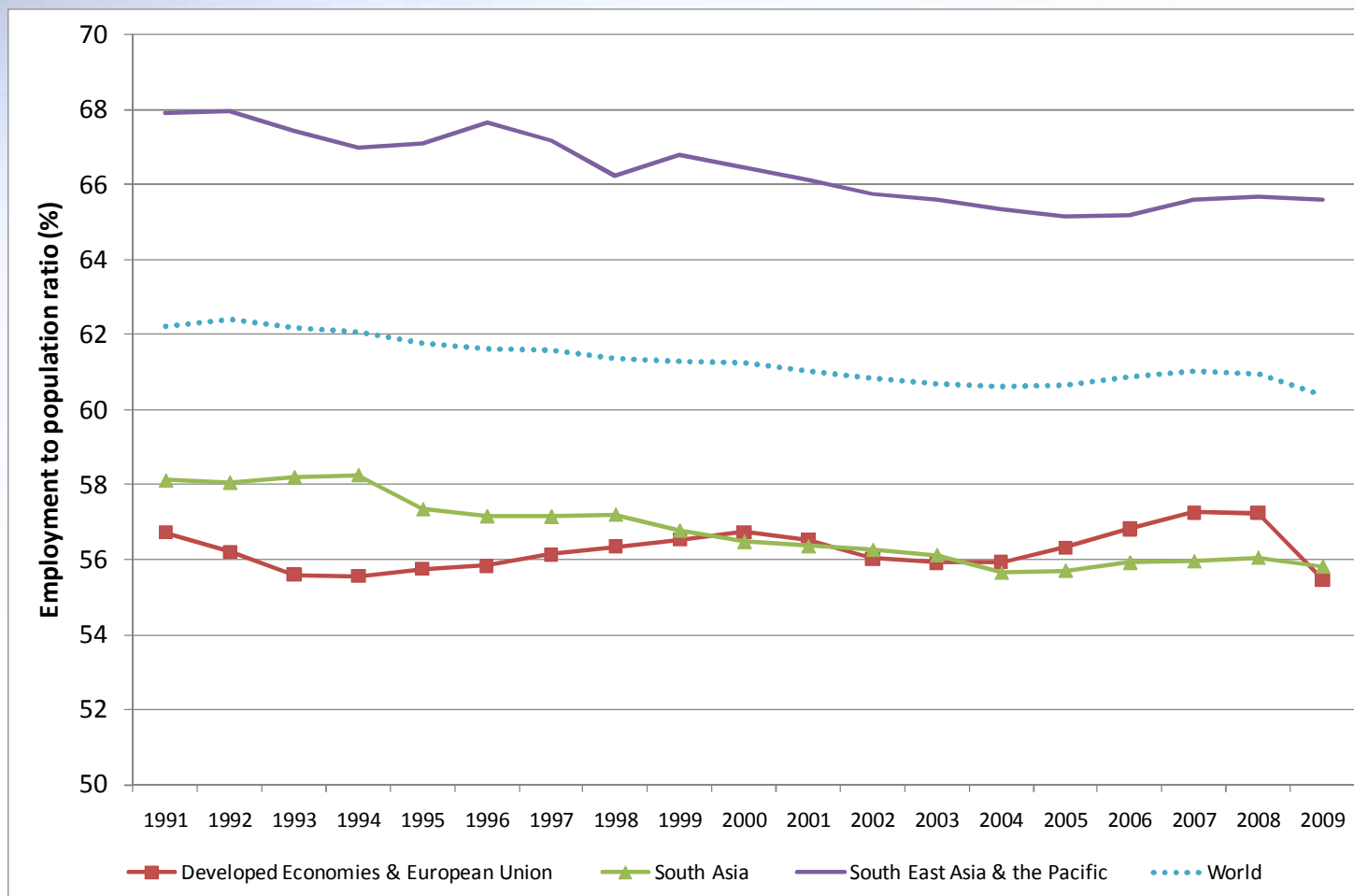


MDG1B indicators

Employment-to-population ratio



Employment-to-population ratio, selected regions, 1991-2009



Source: ILO, Trends Econometric Models, January 2010

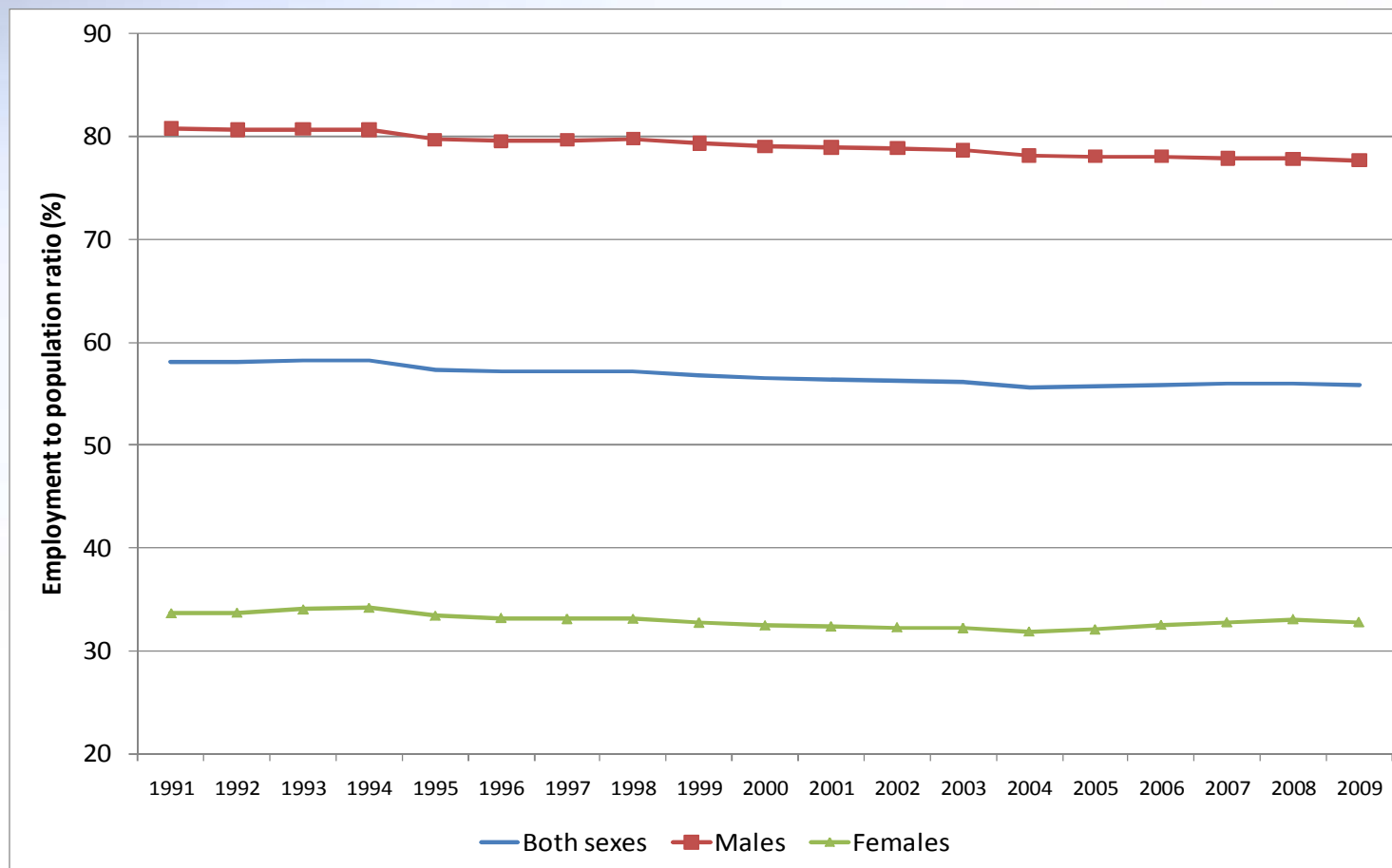


MDG1B indicators

Employment-to-population ratio



Employment-to-population ratio, South Asia, 1991-2009, by sex



Source: ILO, Trends Econometric Models, January 2010

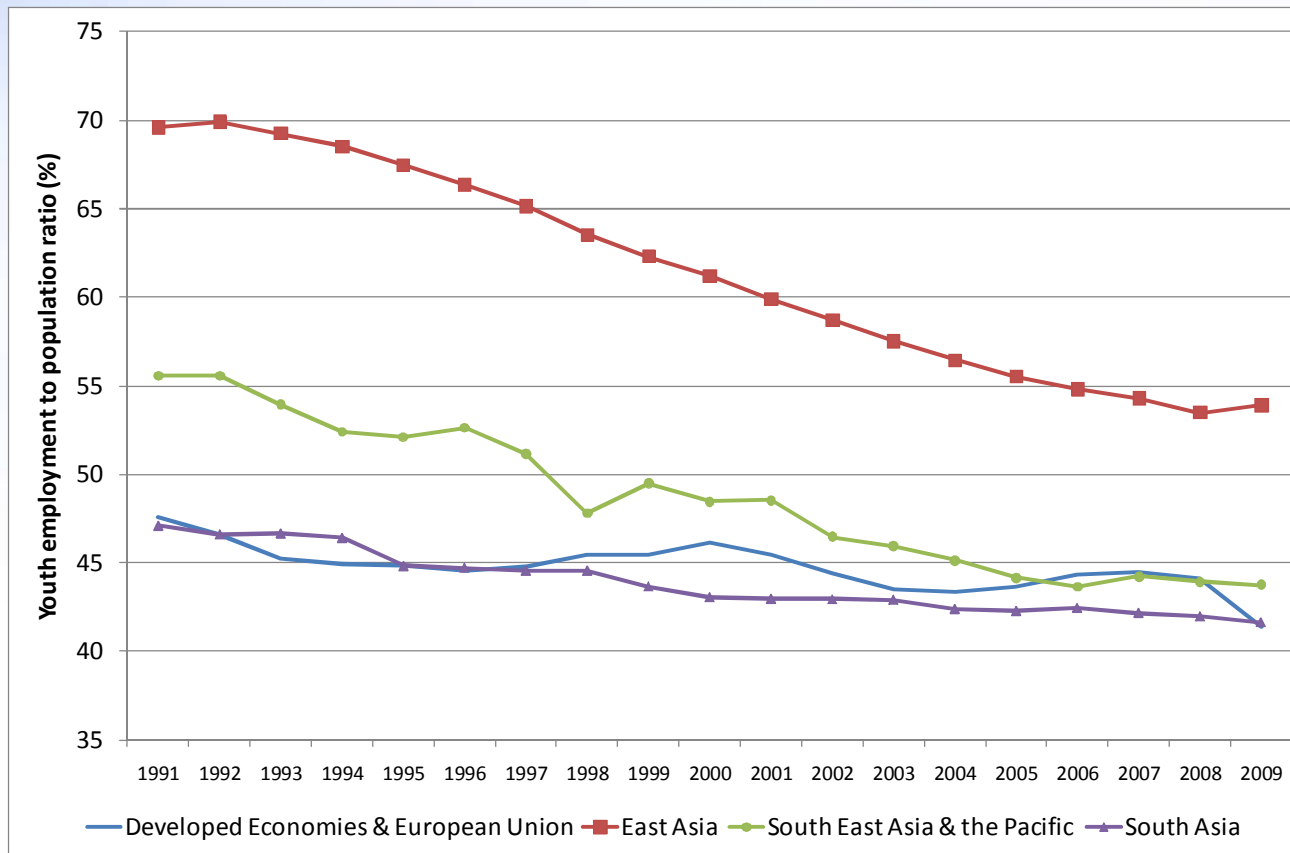


MDG1B indicators

Youth employment-to-population ratio



Youth employment-to-population ratio, Asian regions and Developed Economies & EU, 1991-2009



Source: ILO, Trends Econometric Models, January 2010

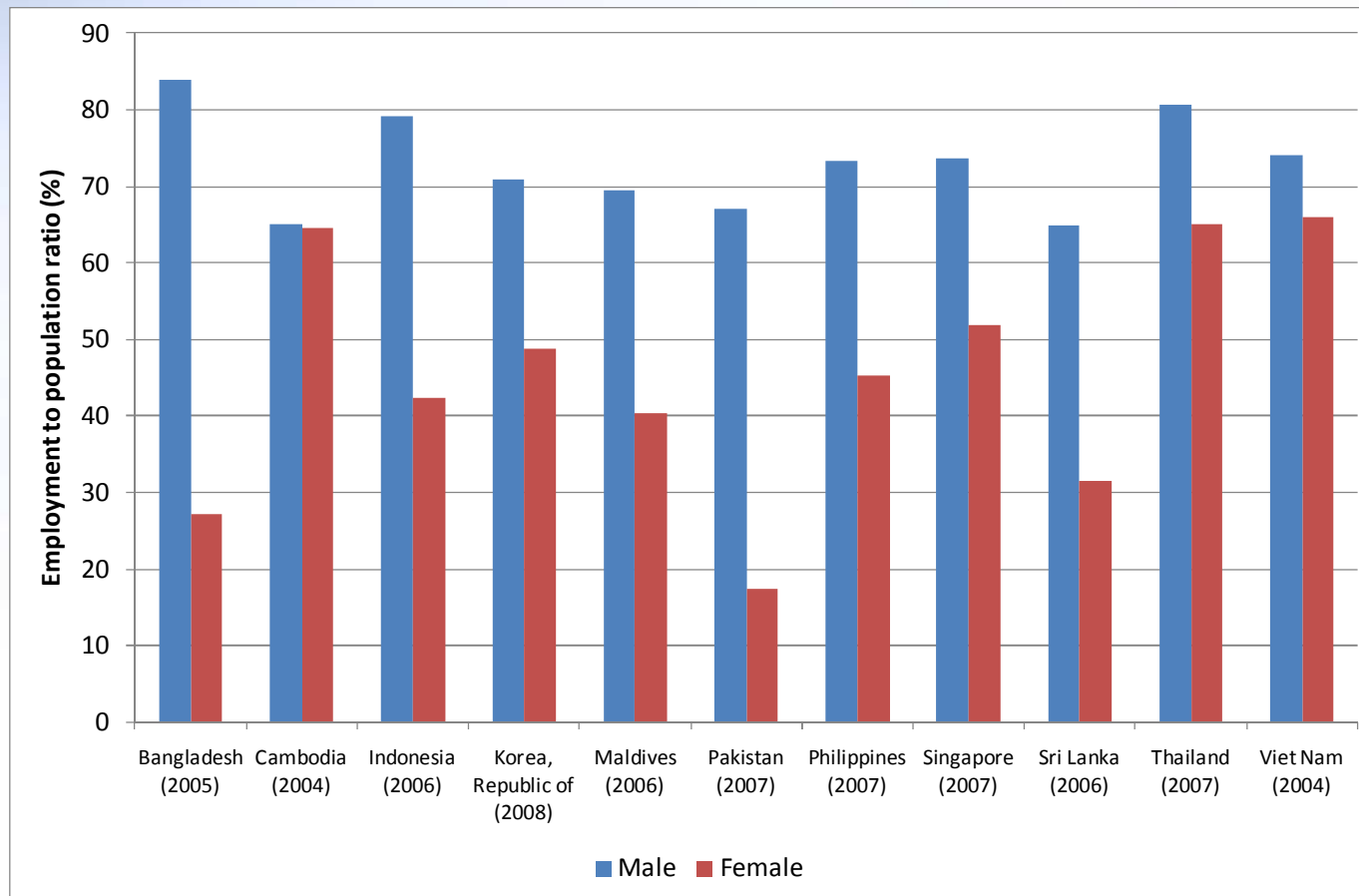


MDG1B indicators

Employment-to-population ratio



Employment to population ratio, selected Asian countries



Source: ILO, Key Indicators of the Labour Market, 6th ed., 2009



MDG1B indicators

Vulnerable employment rate



- ✓ Vulnerable employment rate for persons aged 15+ by sex
- ✓ The vulnerable employment rate is a measure of the more vulnerable statuses of employment, namely own account workers and contributing family workers
- ✓ Vulnerable employment rate = (number of own-account workers + number of contributing family workers)/total employment
- ✓ The rate is typically related to level of GDP per capita
- ✓ Source of data: labour force survey or other household surveys with data on status in employment

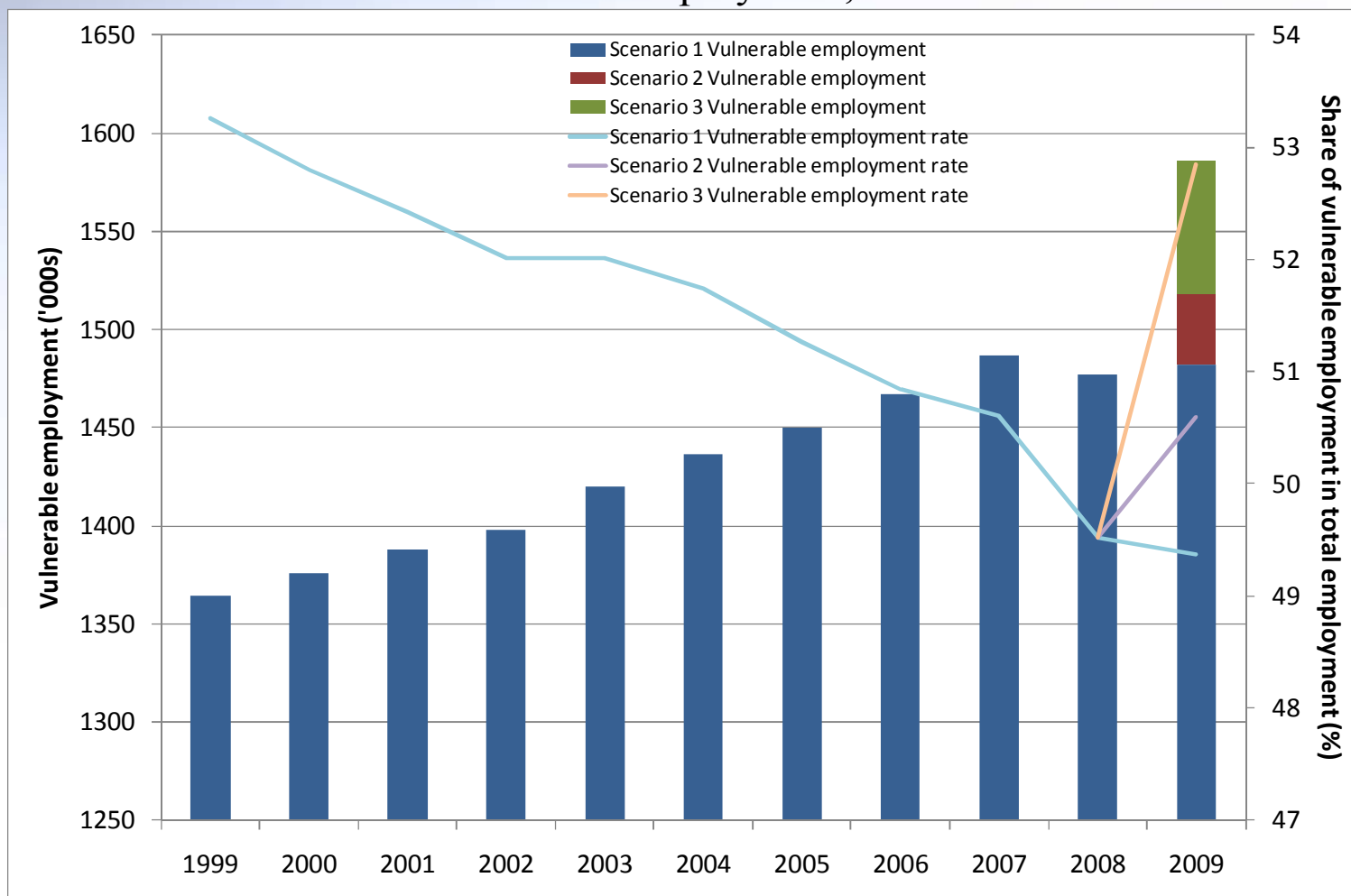


MDG1B indicators

Vulnerable employment rate



Global vulnerable employment, 1999-2009



Source: ILO, Trends Econometric Models, January 2010

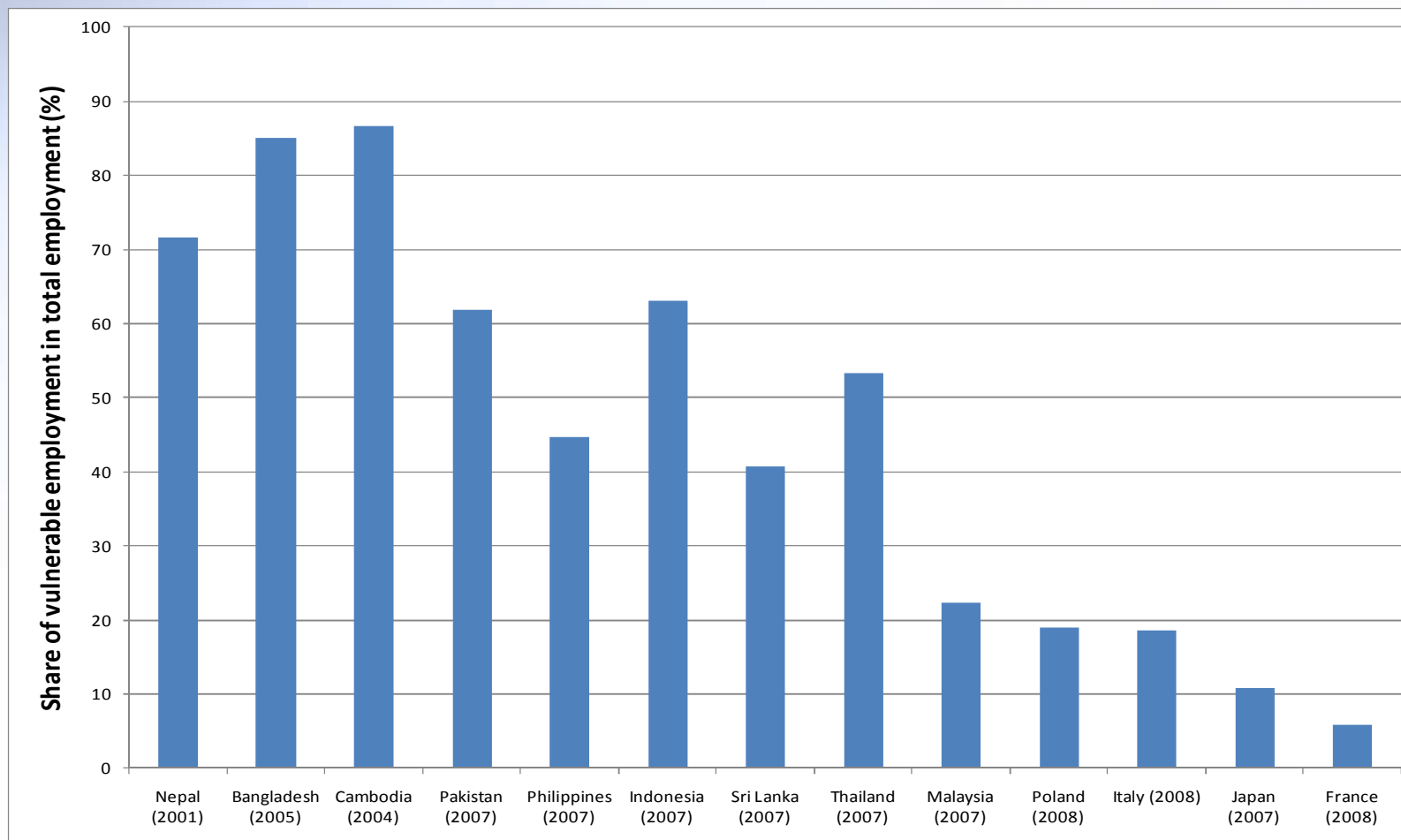


MDG1B indicators

Vulnerable employment rate



Vulnerable employment rate, selected countries ranked by GDP per capita



Source: ILO, Key Indicators of the Labour Market, 6th ed., 2009

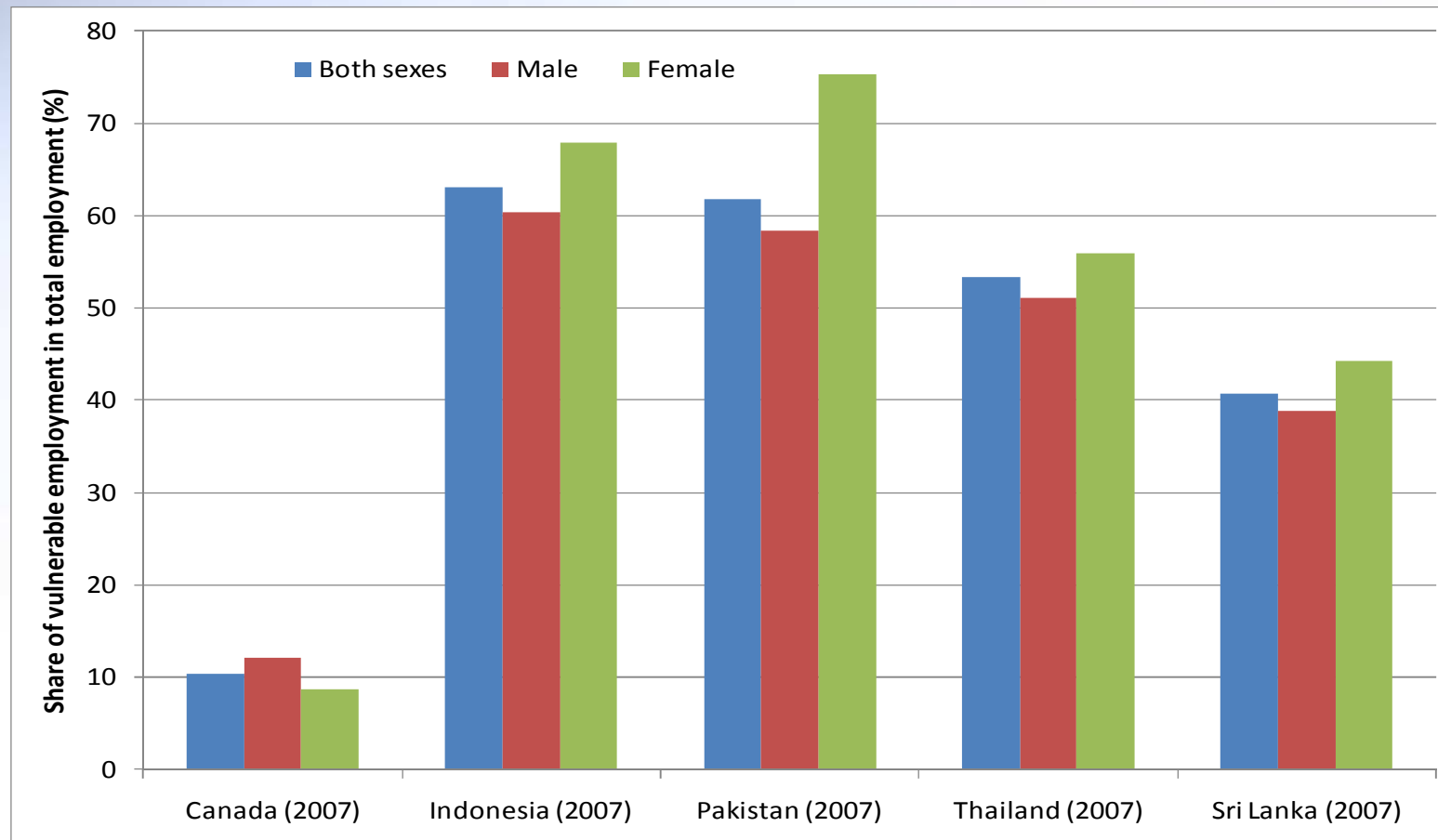


MDG1B indicators

Vulnerable employment rate



Vulnerable employment rate by sex, selected countries



Source: ILO, Key Indicators of the Labour Market, 6th ed., 2009



Vulnerable employment in Thailand during the global economic crisis



Status in employment in Thailand, annual change from Q2, thousands

	Both sexes		Men		Women	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
Total employment	1,109	840	383	471	727	369
Employers	-126	61	-116	56	-9	4
Government employees	139	92	74	-2	65	94
Private employees	407	-206	158	-49	249	-158
Own-account workers	169	509	102	255	67	255
Unpaid family workers	524	372	161	203	363	169
Vulnerable employment	693	882	263	458	429	424

Source: Thailand National Statistical Office, 2009



MDG1B indicators

Growth rate of labour productivity

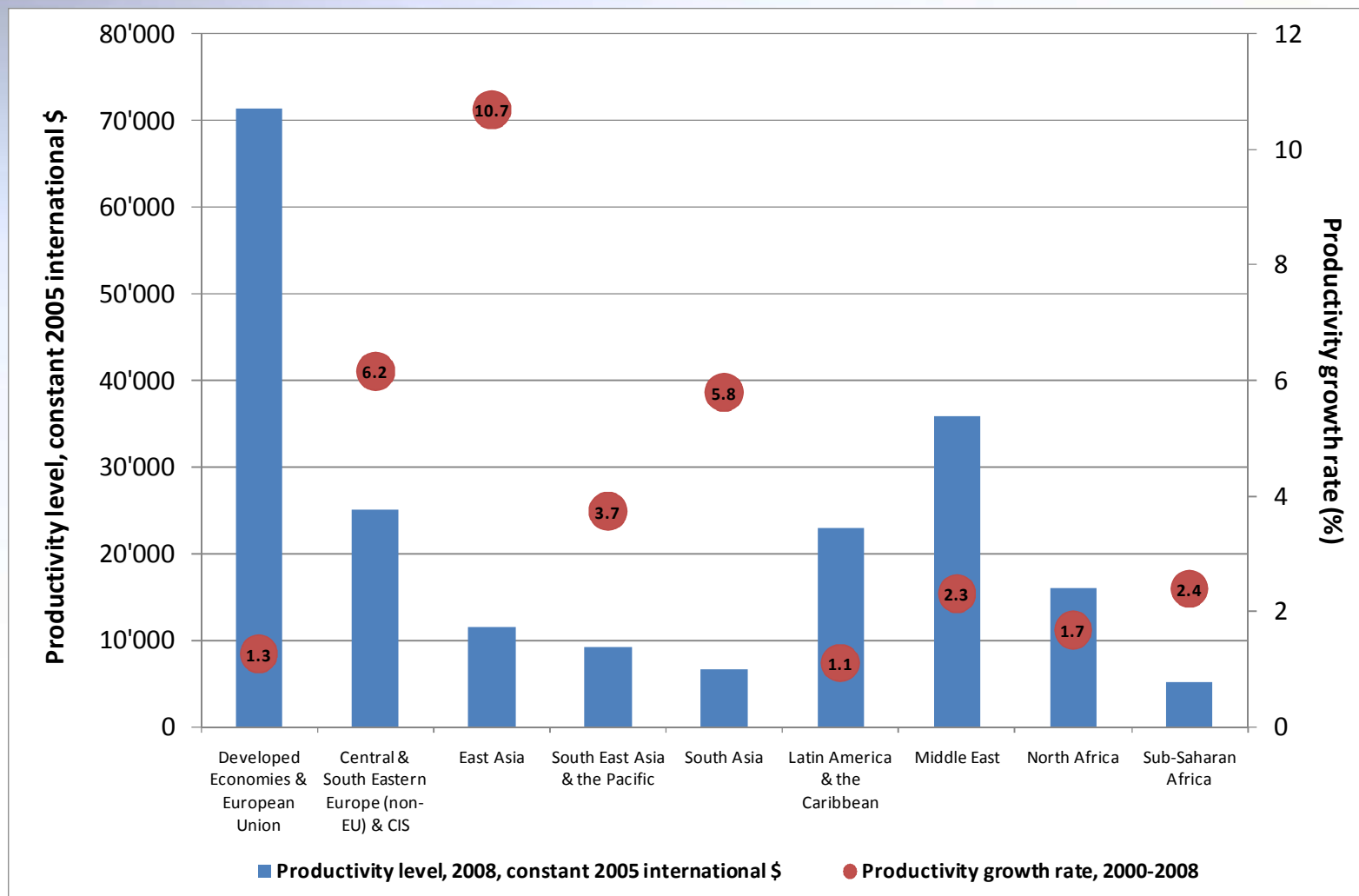


- ✓ Labour productivity represents the amount of output achieved per unit of labour input
- ✓ Labour productivity = $\text{GDP [measured at constant market prices in national currency]} / \text{total employment}$
- ✓ Labour productivity growth rate is measured as the annual change in GDP per person employed
- ✓ Labour productivity can be used to assess extent to which extent the economic environment allows for the creation of decent employment opportunities
- ✓ Source of data: labour force survey or other household survey/population census with data on employment, in combination with data from national accounts



MDG1B indicators

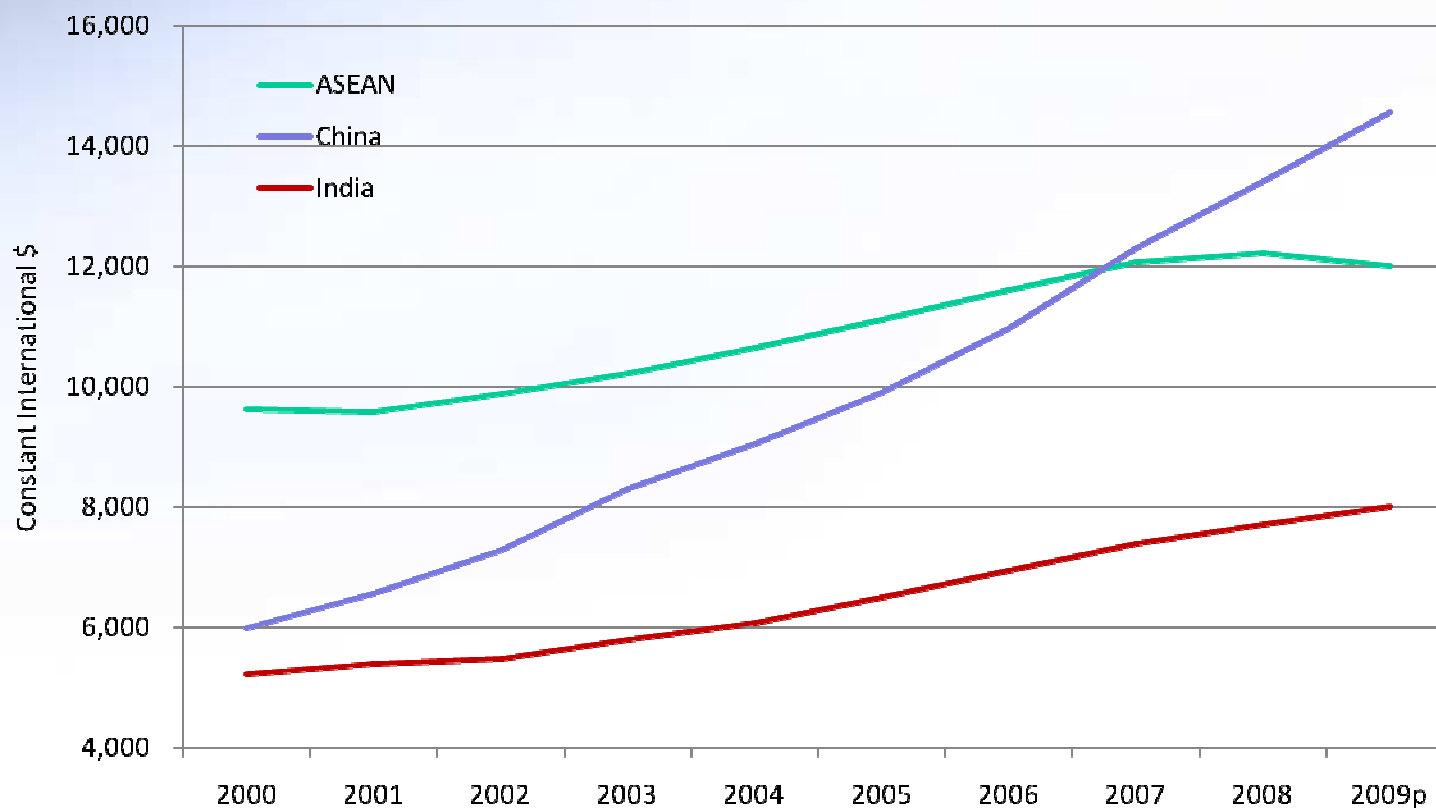
Growth rate of labour productivity



Source: ILO, Trends Econometric Models, January 2010



Labour productivity in ASEAN, China and India



Source: Labour and Social Trends in ASEAN 2010, Bangkok, ILO.



Productivity growth versus wage growth



	Years	Average annual growth		Type of survey	Mean or median wage
		Wages	Productivity		
Argentina	2003-2008	11.2	3.0	Quarterly household survey	Mean
Australia	2000-2008	1.0	1.0	Annual household survey	Median
Brazil	2002-2008	0.9	1.6	Monthly Labour Force Survey	Median
Canada	2000-2008	0.6	0.5	Monthly Labour Force Survey	Median (employees)
China	2000-2008	12.6	10.5	Combination of Surveys	Mean
France	2000-2008	1.0	0.9	National Accounts Data	Mean (employees)
Germany	2000-2008	-0.5	0.8	National Accounts Statistics	Mean (employees)
India	2001-2008	1.9	5.2	Establishment Survey	Mean
Indonesia	2005-2008	-2.5	3.8	Not Specified	Mean
Italy	2000-2008	0.3	-0.4	National Accounts Data	Mean (employees)
Japan	2000-2008	-0.4	1.4	Monthly Labour Force Survey	Mean
Korea, Republic of	2001-2008	3.0	3.1	Establishment Survey II	Mean
Mexico	2001-2008	2.4	0.7	Quarterly household survey	Median
Russian Federation	2000-2008	14.3	5.7	Establishment Survey	Mean
Saudi Arabia	2006-2008	1.8	1.2	Establishment Survey	Mean
South Africa	2006-2008	1.8	3.2	Establishment Survey	Mean
Turkey	1996-2002	-2.1	1.9	Establishment survey	Mean
United Kingdom	2000-2008	1.5	1.8	Annual establishment survey	Median (employees)
United States	2001-2008	-0.1	1.7	Establishment Survey I (OES)	Median

Source: ILO, Travail Wage Database, 2010; The Conference Board, Total Economy Database 2010.



MDG1B indicators

Working poverty rate



- ✓ Working poverty rate for persons aged 15+
- ✓ The working poor are defined as employed persons living in a household whose members are living below the poverty line
- ✓ Working poverty rate = number of working poor/total employment
- ✓ Source of data: household surveys with both employment and income & expenditure data; if data on employment and poverty come from different sources, an approximation may be used to arrive at the working poverty rate (see the *Guide to the new Millennium Development Goals Employment Indicators*)



MDG1B Indicators

Monitoring global & regional labour markets



- More detailed analysis is provided in *Global Employment Trends* reports, which include additional indicators, available at:
<http://www.ilo.org/trends>
- See also the *The Millennium Development Goals Report 2009*, MDG Report Progress Chart and country data on:
<http://mdgs.un.org/unsd/mdg/Default.aspx>
- *Global Employment Trends* reports and updates are based on country information, in particular information from labour force surveys stored in international repositories (ILO, OECD, etc.)



MDG1B Indicators

Monitoring national labour markets



- *Key Indicators of the Labour Market* contains a broader set of employment indicators, with an analysis of recent trends for each indicator.
 - Indicators on the volume of employment, including labour force participation and employment-to-population rates, hours of work, underemployment, part-time employment
 - Employment by status and sector
 - Educational attainment
 - Wage and earning indices
 - Labour productivity
- KILM, 6th ed. (2010) Chapter 1c contains country examples of analysis of the MDG employment indicators, and their linkages with other indicators (Pakistan, Botswana and Ukraine).



MDG1B indicators

Monitoring national labour markets



- MDG1B indicators provide a good starting point for LMIA system development with a view to monitor labour markets and inform policies
- Desaggregations are often necessary (e.g. by geographical area, age, sex, etc.)
- Additional analysis is needed on working poverty and vulnerable employment (do improvements occur for all groups?)
- Overlap between the notion of vulnerable employment, informal employment (see Hussmanns, 2004) and non-formal employment segment (Ghose, 2008)
- Scope for deeper analysis using more indicators (e.g. employment by sector, wage developments, hours of work)

Hussmanns, R., 2004. 'Measuring the informal economy: From employment in the informal sector to informal employment', *Policy Integration Department Working Paper No. 53*, ILO, Geneva.

Ghose, A.K., Majid, N., Ernst, C., 2008. *The Global Employment Challenge*, ILO, Geneva.





Thank you!

