Report II: Statistics of work, employment and labour underutilization

11 October 2013

Purpose of Report II

• Part I: Background to review
  • Why? What? How?
• Part II: Main proposals explained
  • Explains updates, section by section
• Annex: Draft resolution concerning work statistics
  • Draft text for discussion
ILO Mandate

• 39th Session of UN Statistical Commission (2008)
  • Labour statistics review programme
    • Links between paid & unpaid work
    • Coherence with other statistical domains
• 18th ICLS (2008)
  • Resolution on development of measures of labour underutilization
  • Future work: Update resolution on EAP (13th ICLS, 1982)

ILO preparatory work (2009-2013)

• Working Group on E & U statistics
  • 2009, 2011, 2012
• Regional consultative meetings
  • 5 major regions
• ILO Tripartite Meeting of Experts
• Desk reviews of national practice
  • Household surveys, Population & Agricultural Censuses
• Preliminary assessments
  • Micro-data evaluation & pilot tests
The proposal

- Builds on existing standards
- Incorporates good practice developed over 30 years
- Consolidates related standards in one resolution
- Provides expanded guidelines for countries
- Facilitates progressive implementation
- Enables reconstruction of existing series
- Promotes international comparability

Relevance

- **To support policy makers**
  - Improve capacity to monitor labour markets & labour underutilization – job creation, access & integration to labour markets,
  - Develop & implement policies targeting all forms of work – social inclusion, gender justice, food security, well-being

- **For statistical systems**
  - Improve responsiveness of statistics to users & needs
  - Promote integration of labour force statistics
    - with statistics on other forms of work & other domains (economic, production, migration, population)
Key advances (I): Forms of work

- **New reference concept Work**
  - Covers ALL productive activities
  - Maintains coherence with 2008 SNA

- **Employment definition refined**
  - As work for pay, profit
  - Measured based on existing principles
  - For more targeted LM measures

- **Other forms of work fully measured**
  - Own-use production work
  - Volunteer work
  - To assess economic & social contributions

Key advances (II): Indicators highlighted as part of national set

- **Labour underutilization (LU1-LU4)**
  - As headline measures with unemployment
  - Focus on insufficient qty of work for pay/profit

- **Informality, job search among employed, inadequate employment due to skills, income, ...**
  - For wider labour market monitoring

- **% Subsistence foodstuff producers**
  - To monitor extent, trends & highlight for policy
  - To assess issues with labour market integration

- **Low pay, working poor**
  - To assess links between employment & poverty

- **Headline measures for other forms of work**
Forms of work

Reference concept for Labour Force statistics

Intended destination

<table>
<thead>
<tr>
<th>Form of Work</th>
<th>For own final use</th>
<th>For use by others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own-use production work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of goods</td>
<td></td>
<td></td>
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<tr>
<td>of services</td>
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</tbody>
</table>

Employment (work for pay/profit)

Other work activities

Volunteer work

Activities within SNA production boundary

Activities inside SNA General production boundary

* i.e. unpaid, compulsory work for others.

• Continued coherence with SNA
• Considers ALL inputs into production

Illustration: % of WAP in forms of work (Liberia, 2010)

Source: ILO calculations based on national data (2010)
Labour force status: **As per current standards...**

*ALL OTHERS, whether or not:*

- ALL who work for pay
- ALL who work for profit
- ALL who work for training
- ALL who produce goods for own final use
- ALL who volunteer for org.
- ALL who volunteer to produce goods for others

**Persons in employment**

**Without employment**

- Unemployed
- Inactive

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Labour force status: **In national practice...**

*ALL OTHERS, whether or not:*

- ALL who work for pay
- ALL who work for profit
- Some who work for training
  - Some who produce goods for own final use
  - Some volunteering for organizations
  - Some volunteering to produce goods for others
- Some who volunteer providing services for others
- Some volunteering to produce goods for others

**Persons in employment**

**Without employment**

- Unemployed
- Inactive
National practice: Uneven inclusion of selected groups in employment

Source: ILO review of country practices (most recent LFS)

National practice: Partial and uneven inclusion of own-use production of goods

Included only if:
< Working time threshold
Important % Household Budget
Important to Household Consumption
...Labour force in revised proposal

**ALL** who work for pay

**ALL** who work for profit

**ALL** who work for training

**ALL OTHERS > age**, whether or not:

- Provide services for own final use
- Volunteer providing services for others
- Produce goods for own final use
- Volunteer through / for organizations

**Without employment (for pay/profit)**

**Persons in employment (for pay / profit)**

**Unemployed**

(seeking + available for work for pay/profit)

**Underutilized labour**

(with unmet need for employment (for pay/profit))

Labour underutilization

**Working age population**

**Labour force**

**Employed (for pay/profit)**

**Time-related underemployed**

**Unemployed**

**Potential Labour Force**

- seeking, not available
- available, not seeking

- other, want employ.

**Outside the labour force**

**Other outside the labour force, do not want employment**

**Labour underutilization**

(unmet need for employment)
**Illustration:** Labour force status of Own-use producers (South Africa, 2011)

- **Own-use producers of goods**
  - Employed: 48.7%
  - Unemployed: 11.9%
  - Discouraged: 12.9%
  - In TRU: 5.6%
  - Other available, not seeking: 2.4%
  - Other, do not want: 2.0%

- **WAP (15-64)**
  - Employed: 36.0%
  - Unemployed: 13.5%
  - Discouraged: 6.8%
  - In TRU: 2.9%
  - Other available, not seeking: 0.1%
  - Other, do not want: 2.0%

*Source: ILO calculations based on national data (2011)*

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**Illustration:** Labour underutilization Composite indicator (LU4)

- Time Related Underemployed
- Unemployed
- Potential LF*

*Source: ILO calculations based on national data (2011)*
**Illustration:** New rate of subsistence foodstuff producers

<table>
<thead>
<tr>
<th></th>
<th>% Subsistence food producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberia</td>
<td>69.7</td>
</tr>
<tr>
<td>Samoa</td>
<td>56.9</td>
</tr>
<tr>
<td>Cambodia</td>
<td>46.1</td>
</tr>
<tr>
<td>Colombia</td>
<td>31.5</td>
</tr>
<tr>
<td>South Africa</td>
<td>14.8</td>
</tr>
</tbody>
</table>

Source: ILO calculations based on national data (2010-2012)

**Impact of revisions: Illustration**

**Employment to Pop. Ratio (15-64 yrs)**

- Depends on existing coverage of activities within 2008 SNA & prevalence in the country

Source: ILO calculations based on national data (2010-2011)
Impact of revisions: Illustration
Unemployment & LU measures

Source: ILO calculations based on national data (2011)

Impact of revisions: Illustration
Unemployment & LU measures

Source: ILO calculations based on national data (2010)
Work statistics into the future

• Should serve as guidance for 20-30 years...
• More complete picture of work
  • Changing work patterns, labour market access, underutilization & integration of persons
• Permit progressive implementation, dual time-series & reconstruction of components
  • Flexible, coordinated collection/reporting programmes & building-block approach
• Better serve future needs, to inform broadest range of economic & social policies
  • Job creation, poverty & inequality, livelihoods, food security, well-being, social inclusion, gender justice