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# **Decent Work Situation and Overview of the Labour Force Survey in Azerbaijan and New Opportunities with the implementation of the 19<sup>th</sup> ICLS Resolution concerning statistics of work, employment and labour underutilization**

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## **High-level Stakeholder Meeting to Discuss Objectives of the New Labour Force Survey of the Republic of Azerbaijan**

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# I. Decent Work

- Conducting and assessment of the monitoring on Decent work at the country level remains as one of the priority issues of the ILO.
- Promoted by the 18<sup>th</sup> International Conference of Labour Statisticians (ICLS) on December 2008 the Decent work indicators is considered as reliable database in this field.
- The Framework on the Measurement of Decent Work covers ten substantive elements which are closely linked to the four strategic pillars of the Decent Work Agenda, that is, *international labour standards and fundamental principles and rights at work, employment creation, social protection, and social dialogue and tripartism.*

# Evaluation of Decent Work in national level

- ▶ ***Objective of Evaluation:*** to analyze the national legislation base for the last decade on the basis of the indicators on the decent work evaluation defined by the ILO and following these analysis to draft a sustainable action plan on the assurance of the decent work in the country with the support of ILO and to accept the II phase of the Country Program on the Assurance of Decent Work.

# Evaluation of Decent Work in national level

- ▶ *Evolution of Decent Work on behalf of the Republic of Azerbaijan* during the 2000-2010 by involving of the international experts has been carried out in 2011 and the Final Report put on the ILO website mentioned below:

[http://www.ilo.org/integration/resources/pubs/WCMS\\_175754/lang--en/index.htm](http://www.ilo.org/integration/resources/pubs/WCMS_175754/lang--en/index.htm)

- ▶ The Decent Work Country Profile Azerbaijan has been compiled by the ILO in collaboration with the Ministry of Labour and Social Protection of the Population of Azerbaijan, the State Statistical Committee of Azerbaijan, the Azerbaijan Trade Unions Confederation and the National Confederation of Entrepreneurs (Employers') Organisations of Azerbaijan.

## Set of indicators in national level

- ▶ *Preliminary version of the Set of Decent work indicators* nationally prepared based on the Decent Work indicators which was promoted at the 18<sup>th</sup> ICLS has been confirmed by decree of the SSC of Azerbaijan in collaboration with the Ministry of Labour and Social Protection of the Population of Azerbaijan.
- ▶ The indicators system reflects *70 statistics indicators belong to 10 substantive elements and economic and social context for decent work*. Each statistical indicator sheet is divided into measurement objective and rationale, method of computation concepts and definitions, recommended data sources and interpretation guidelines.

# Structure of Decent Work measurement framework

Economic and social context for decent work

Employment opportunities  
(1 + 2)

Adequate earnings and  
productive work (1 + 3)

Decent working time (1 + 3)

Combining work, family and  
personal life (1 + 3)

Work that should be  
abolished (1 + 3)

Stability and security  
of work (1, 2 + 3)

Equal opportunity and  
treatment in employment  
(1, 2 + 3)

Safe work environment  
(1 + 3)

Social security (1 + 3)

Social dialogue, workers' and  
employers' representation  
(1 + 4)

# Decent Work Indicators

- ▶ *Set of Decent Work Indicators* is divided into indicators as follows:
  - i. *18 main indicators*
  - ii. *31 additional indicators*
  - iii. *10 future indicators* (these indicators are to be developed by the ILO).
  - iv. Economic and social context for decent work - *11 indicators*

## Preferred data source

- ▶ *Population census*
- ▶ *Labour Force Survey*
- ▶ *Household survey with earnings, job training, migration and etc. modules*
- ▶ *Demographic health survey*
- ▶ *Household income and expenditure survey or Living Standard measurement survey*
- ▶ *Child labour survey*
- ▶ *Establishment surveys*
- ▶ *Administrative data and SNS*
- ▶ *Official estimation*

# Main Decent Work Indicators

- ▶ Employment-to-population ratio
- ▶ Unemployment rate
- ▶ Youth not in employment, education or training, 15-24 years
- ▶ Informal employment rate
- ▶ Working poverty rate
- ▶ Employees with low pay rate (below 2/3 of median hourly earnings)
- ▶ Employment in excessive working time (more than 48 hours per week)
- ▶ Child labour rate (as defined by ICLS resolution)
- ▶ Occupational segregation by sex

# Main Decent Work Indicators

- ▶ Precarious employment rate
- ▶ Female share of employment in senior and middle management (Occupational classifications)
- ▶ Occupational injury frequency rate, fatal
- ▶ Share of population above the statutory pensionable age (or aged 65 or above) benefiting from an old-age pension
- ▶ Public social security expenditure (percentage of GDP)
- ▶ Trade union density rate
- ▶ Employers' organization density rate
- ▶ Collective bargaining coverage rate
- ▶ Indicator for Fundamental principles and rights at work (to be developed by the ILO).

# Economical and social environment for decent work

	<b>2003</b>	<b>2006</b>	<b>2008</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
GDP, mln manat - AZN	<b>7146.5</b>	<b>18746.2</b>	<b>40137.2</b>	<b>42465.0</b>	<b>52082.0</b>	<b>54743,7</b>	<b>57708,2</b>
GDP per capita, AZN	<b>872.7</b>	<b>2208.2</b>	<b>4603.7</b>	<b>4753.0</b>	<b>5752,9</b>	<b>5966,1</b>	<b>6207,3</b>
GDP growth rate in comparison to previous year, %	<b>111.2</b>	<b>134.5</b>	<b>110.8</b>	<b>105.0</b>	<b>100.1</b>	<b>102,2</b>	<b>105,8</b>
Employed population, thousand persons	<b>3972.6</b>	<b>4110.8</b>	<b>4215.5</b>	<b>4329.1</b>	<b>4375.2</b>	<b>4445,3</b>	<b>4521,2</b>
Labour productivity (GDP for each employed population, AZN)	<b>1798.9</b>	<b>4560.2</b>	<b>9521.3</b>	<b>9809.2</b>	<b>11903.6</b>	<b>12315,0</b>	<b>12763,9</b>
Labour productivity (GDP growth rate for each employed population), %	<b>109.4</b>	<b>132.9</b>	<b>109.4</b>	<b>103.6</b>	<b>99.0</b>	<b>100,6</b>	<b>104,0</b>
Share of labour in GDP, %	<b>22.7</b>	<b>17.1</b>	<b>14.3</b>	<b>16.1</b>	<b>14,9</b>	<b>16,4</b>	<b>16,7</b>

**Cont.**

	<b>2003</b>	<b>2006</b>	<b>2008</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Level of inflation (consumer price index)	<b>2.2</b>	<b>8.3</b>	<b>20.8</b>	<b>5.7</b>	<b>7.9</b>	<b>1,1</b>	<b>2,4</b>
Poverty line, AZN	<b>35.8</b>	<b>58.0</b>	<b>78.6</b>	<b>98.7</b>	<b>107.2</b>	<b>119,3</b>	<b>125,2</b>
Poverty level of population, %	<b>44.7</b>	<b>20.8</b>	<b>13.2</b>	<b>9.1</b>	<b>7.6</b>	<b>6,0</b>	<b>5,3</b>

# Employment opportunities

These were approved by President of the Azerbaijan:

- ❖ “The Employment Strategy of the Republic of Azerbaijan (for 2006-2015 years)” and second stage for its implementation *“The State Program on the implementation of Employment Strategy for 2011-2015 years* (26 October 2005)
- ❖ *“The State Program on socio-economic development in the regions of the Republic of Azerbaijan for 2014-2018 years”* played an important role in the assurance of population employment (27 February 2014).
- ❖ *“The State Program on Improvement of the Official Statistics in the Republic of Azerbaijan in 2013-2017”* (21 December 2012).
- ❖ *“The State Program on poverty reduction and sustainable development in the Republic of Azerbaijan for the years 2008-2015”* (15 September 2008).

## Average monthly nominal wage and Minimum monthly wage

Years	Minimum monthly wage (in AZN/USD)	Average monthly nominal wage, (in AZN/USD)	Ratio of the minimum monthly wage to the average monthly wage (%)
2003	<b>9.0 AZN / 9.2 USD</b>	<b>77.4 AZN / 78.8 USD</b>	11.6
2006	30.0 AZN / 33.6 USD	149.0 AZN / 166.8 USD	20.1
2007	50.0 AZN / 58.3 USD	215.8 AZN / 251.5 USD	23.2
2008	75.0 AZN / 91.3 USD	274.4 AZN / 334.0 USD	27.3
2009	75.0 AZN / 93.3 USD	298.0 AZN / 370.8 USD	25.2
2010	85.0 AZN / 105.9 USD	331.5 AZN / 413.0 USD	25.6
2011	93.5 AZN / 118.4 USD	364.2 AZN / 461.2 USD	25.7
2013	<b>105.0 AZN / 133.8 USD</b>	<b>425.1 AZN / 541.9 USD</b>	24.7

## **II. Labour Force Survey (LFS)**

## Purpose of LFS

- ▶ The main goal is accurate assessment of information on economic activity of the population and its structure based on sampling of the households in frame of the country.
- ▶ At the same time, this survey gives possibility to evaluate existing situation in labour market, economic activity, economic inactivity, employment and unemployment population, also number of working age population and obtaining of the information based on sex, age groups, statues in employment, kind of economic activities and other division.

## LFS-2003

- ▶ The State Statistical Committee of Azerbaijan (SSC of Azerbaijan) conducted *during the period of May–June 2003 a household-based Survey of the Economic Activity of the Population the first time in country*. The survey was carried out with financial support of the UNDP in Azerbaijan and methodological assistance of the ILO.
- ▶ An overall 0.9 per cent of current total households of Azerbaijan were covered by the survey.
- ▶ The questionnaire of the survey on studying of Economic Activity of the Population consists of 67 questions.

## LFS-2006

- The Ministry of Labour and Social Protection of the Population and the SSC of Azerbaijan jointly conducted *a household-based Survey of the Economic Activity of the Population in 2006*. The survey was carried out with technical and financial support of the UNDP and Population Fund.
- ▶ An overall 0.7 per cent of current total households of Azerbaijan were covered by the survey.
- ▶ The questionnaire of the survey on studying of Economic Activity of the Population consists of 46 questions.

## One-time LFS-2003 and 2006

- For labour statisticians of Azerbaijan, the Convention 1985 on Labour Statistics (№ 160) and the Recommendation 1985 on Labour Statistics (№ 170), adopted by the International Labour Conference, are the main guidance documents in the organization of employment statistics based on international standards.
- The questionnaire consists of the following 6 sections: *information on respondents; current economic activity; main job; features of main job; additional work; unemployment; and economic inactivity.*

## LFS coverage

Years	Periodicity	Number of household	In total number of current household in country, in per cent
2003	one-time	15800	0,9
2006	one-time	12600	0,7
2007-2009	quarterly	3200	0,2
2010-2011	quarterly	4725	0,2
2012 (I-III quarter)	quarterly	7850	0,4
2012-2014	quarterly	19882	1,0

# LFS coverage

***Geographical:*** LFS were carried out in whole country covered economical regions.

***Persons covered by the survey:*** all persons of age 15 years and over, residents of the country, including persons temporary departed abroad.

***Persons were not covered by the survey:***

- persons absent on mission to other settlements or abroad for 6 months or more;
- students living in hostels of universities or institutions;
- conscripts;
- persons under treatment in hospitals for 6 months or more;
- ▶ prisoners.

# Structure of the existing questionnaire of LFS

- The LFS questionnaire of the sample survey on studying of economic activity of the population includes:
  - consist of 6 question *information on respondents*
  - consist of 3 question *current economic activity*
  - consist of 5 question *main job*
  - consist of 14 question *features of main job*
  - consist of 10 question *additional work*
  - consist of 14 question *unemployment; economic inactivity*
  - consist of 1 question *source of income.*

## Main indicators of the labour market

	2003	2006	2008	2010	1011	1012	1013
Economically active population, thsd. persons	4373,5	4402,0	4477,7	4587,4	4626,1	4688,4	4757,8
male	2272,9	2283,4	2315,8	2329,7	2354,7	2395,3	2436,0
female	2100,6	2118,6	2161,9	2257,7	2271,4	2293,1	2321,8
Economically active population-to-population (15 years and above), %	71,7	67,1	65,4	64,8	64,4	64,5	64,7
Employed persons, thsd. persons	3972,6	4110,8	4215,5	4329,1	4375,2	4445,3	4521,2
male	2066,7	2126,4	2173,4	2227,4	2250,0	2291,8	2337,5
female	1905,9	1984,4	2042,1	2101,7	2125,2	2153,5	2183,7
Employed-to-population (15 years and above, %)	65,2	62,7	61,6	61,2	60,9	61,2	61,4

## Cont.

	2003	2006	2008	2010	2011	2012	2013
Share of employed women,% (15+)	48,0	48,3	48,4	48,5	48,6	48,4	48,3
Unemployed rate, %	9,2	6,6	5,9	5,6	5,4	5,2	5,0
Youth unemployment rate, %, (15-24 years)	18,9	14,7	14,0	14,9	14,7	14,2	13,7
Youth unemployment rate, %, (15-29 years)	16,4	12,2	11,0	10,8	10,7	10,3	9,9
Economic inactive population-to-population, % (15+)	30,6	35,4	38,0	33,9	29,9	30,7	33,9

# Sample design and stages of the formation of a sample network

- ❖ **Database:** based on information of the population census and households are used as sample unit. Sample is formed based on principle of representation of households in the frame of each economic region.
- **Rotation method** is used on carrying out of the sample survey
  - *25 per cent of households* are changed during each next quarter.
  - the process is continued during the year and as a result, *75 per cent of households* are changed in IV quarter.
  - substitution in this form is carried out at the household level both in urban and rural areas.

# Sample design and stages of the formation of a sample network

Sampling is created based on two-stages model in the frame of urban and rural areas. The order of the implemented works based on sampling:

- ❑ *working out of sample design for urban and rural areas* (the number of households involved in survey is divided proportionally by the number of households in urban and rural settlements);
  - ❑ *selection of the representative areas according to sample design;*
  - ❑ *selection of households from representative areas;*
  - ❑ *working out of the list of selected household addresses.*
- ❖ Finalization of the survey is implemented in two-stages:
- i) calculating of total by economic regions
  - ii) calculating of total by country.

# Future perspective

## Improving the current questionnaire and its methodology of LFS:

- Within the new standards of the 19<sup>th</sup> ICLS:
  - the forms of work
  - measures of labour underutilization
  - classification of working age population
  - classification of outside the labour force survey
  
- *Within the Decent work indicators – Open discussion.*

*Thank you for your  
attention*

