

Overview of new ICLS resolution: Statistics of work, employment & labour underutilization

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- International standard-setting in labour statistics
- Scope of new standards on work statistics
- Concept of Work and Forms of Work Framework
- Employment
- Labour force and labour underutilization
- Other forms of work
- Main changes and challenges
- Other developments



International standard-setting in labour statistics

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International Conference of Labour Statisticians (ICLS)

- Global standard-setting mechanism in labour statistics
- · ILO hosts & acts as Secretariat
- Meets every 5 years (since 1923)
- Tripartite structure: Governments (NSO, MoL), Employers' and Workers' representatives
- Observers: International and regional organizations, NGOs



ICLS Resolutions & Guidelines: Main Topics

- Work, employment, labour underutilization
- Child labour
- Working time
- Employment-related income
- Informal sector employment
- Informal employment
- ISCO (occupations)
- ICSE (status in employment)

- Household income and expenditure statistics
- Consumer price indices
- Occupational injuries
- Strikes and lockouts
- Social security
- Collective agreements
- Labour costs
- Gender mainstreaming
- Dissemination practices

http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/lang--en/index.htm

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Resolution concerning statistics of Work, Employment & Labour underutilization

- Adopted by 19th ICLS in October 2013 (brand new!)
- Updates previous standards on
 - Statistics of the economically active population, employment, unemployment and underemployment (13th ICLS, 1982)
- Sets new framework for work and labour market statistics
- Developed through wide consultation (2008-2013)
- Builds on accumulated good practice
- Promotes progressive implementation
- Enables reconstruction of existing series
- Promotes greater international comparability

- In response to calls to address limitations of unemployment statistics (2003 job crisis; 2008 financial crisis)
- Provide measures of labour underutilization, beyond unemployment
- Recognize and provide framework for measurement of all work, paid and unpaid
- Facilitate integration of labour statistics with other domains (e.g. measure all labour input for SNA purposes)
- Respond to emerging social and economic information needs (labour market dynamics, job creation, household livelihoods, well-being, beyond GDP indicators, ...)



Scope of new standards

- Forms of Work framework and operational definitions
 - Employment, Own-use production work, Volunteer work, ...
- Measures of Labour underutilization
 - Unemployment, time-related underemployment, potential labour force
- Classifications of working age population
 - By labour force status; by main form of work
- Data collection programmes
 - Pop. coverage, Age limits, Sources, Periodicity of collection / reporting
- Indicators, tabulations
 - To select minimum national set, including headline indicators
- Evaluation, communication, dissemination & international reporting
 - Phased adoption of new standards (parallel series)



Work and Forms of Work Framework

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"Any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use"

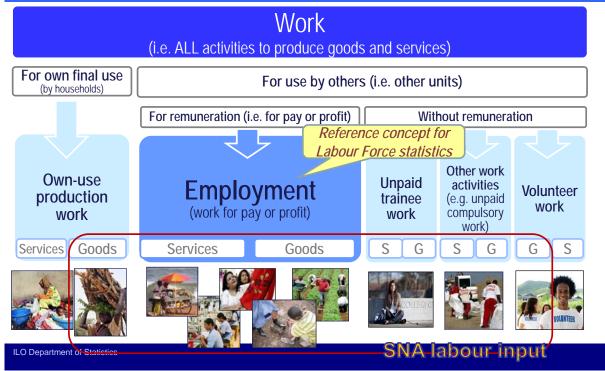
- Irrespective of legality, context and person status
- Consistent with the scope of productive activities
 - Within the SNA General production boundary
 - Complete accounts ("national" and "satellite" accounts)



- Aligned with General production boundary (2008 SNA)
 - Activity must result in production of goods or services (e.g. stealing not included)
 - Activity must fulfill 3rd person criterion: i.e. it must be possible for someone else to perform the activity on one's behalf (e.g. sleeping)
- · Can be performed in any kind of economic unit
 - Market units (i.e. for profit units, such as corporations, quasicorporations and household unincorporated market enterprises)
 - Non-market units (i.e. government & non-profit institutions)
 - Households producing goods or services for own final use

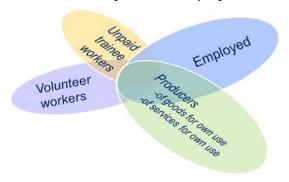
Enables coherence between work statistics and economic statistics







- People can be engaged in multiple types of work activities at the same time
 - E.g. Employed but also engaged in volunteer work
 - Under previous framework you were employed or not employed



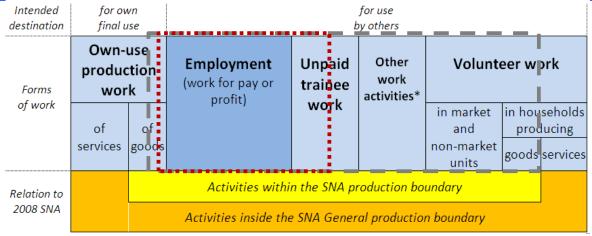


Forms of Work - Employment



- Employment is work performed for others in exchange for pay or profit
- Includes many types of people
 - Self employed people
 - Casual workers
 - Employees
 - Contributing family workers
 - Assisting family members
 - Etc.
- Type of pay is generally monetary but can be in kind

Correspondence with previous standards and with national practice



*i.e. compulsory work performed without pay for others.

Previous scope of "economic activity" used to define the employed In general countries use narrower scope to identify the employed

Changes

- Narrower definition of employment
- In theory lower number of people employed and higher number of people unemployed
- In reality will depend on existing practices

The same

 Employment still the reference concept for the labour force

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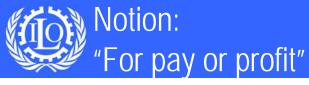
"Working age persons who
in the reference week / last 7 days
were engaged in any activity
to produce goods or provide services for pay or profit"

Two groups

- Employed, at work:
 - Worked for pay or profit for at least 1 hour
- Employed, not at work:
 - · Worked already in the job, but not at work due to:
 - Working time arrangement (shift work, flexitime)
 - Temporary absence (expects to return within short period)



- Based on accumulated national practice
 - Refined short reference period for measurement
 - Reference week, last 7 days (no longer alternative 1 day)
 - Concept restricted to work for pay or profit
 - New guidance to establish main intended destination of activity (for sale / for own final use)
 - No more reference to status in employment groups
 - · Same treatment for all groups regardless of status in employment
 - · No optional hours' threshold for contributing family workers
 - Simplified guidance to determine temporary absence
 - Job attachment assessed using reason for absence, and for certain reasons: total duration and continued remuneration
 - 1 hour criterion retained



- Remuneration paid in cash or in kind
 - Wages or salaries for time worked or work done



- Profits derived from sale / barter of goods and/or services produced (i.e. excludes production intended mainly for own final use)
- Payable (i.e. whether actually received or not)
 - Accommodates different pay periods, owed income etc.
- Directly to person performing work or indirectly to a household or family member
 - Includes contributing family workers (who help in household business)
 - Their work contributes to the income received by the family

Work for pay or profit – possible approach

- In the last week, that is from [DATE] up to [DATE] did (you/NAME) do any work for a wage, salary
 or any other pay, even if only for one hour?
 - 1 YES SKIP TO CHARACTERISTICS OF MAIN JOB SECTION
 - 2 NO
- In the last week, did (you/NAME) run or do any kind of business, farming or other activity to generate income, even if only for one hour?
 - 1 YES SKIP TO MARKET ACTIVITY SECTION
 - 2 NO

READ ONLY IF NEEDED:

For example: making things for sale, growing produce for sale, buying and reselling things, provided services for pay, raising or catching animals or fish for sale

- In the last week, did (you/NAME) help with the paid job or business of a household or family member?
 - 1 YES

SKIP TO MARKET ACTIVITY SECTION

2 NO

ASK ABSENCES QUESTIONS

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Reason

- Personal sick leave
 - Short illness
 - Occupational injury
- Annual leave
 - Public holidays
 - Vacation
- Maternity/paternity leave
 - Compulsory period

Reason (not sure job attachment)

- Personal absence due to
 - Education leave
 - Parental leave, care for others, etc.
- Strikes or lockouts
- Reduction in economic activity
 - Temporary lay-off
 - Slack work
- Work disorganization/suspension
 - Bad weather
 - Mechanical, electrical breakdown
 - ICT problems
 - Shortage of materials, fuel

Employed if short absence (<3 months) and/or pay





- Employed if person continues to do some of the tasks / duties of the job
 - Prepare, clear the land; maintain shop, order supplies ...
- Not employed if tasks / duties of the job stop

Why?

- To capture seasonality of employment
- To monitor demand for other jobs during off-season



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Absence from employment – possible approach

02 NO 97 DON'T KNOW

ABSJOB 02 NO NOT EMPLOYED ABSWHY Why did (you/NAME) not work during the last week? 01 WAITING TO START NEW JOB OR BUSINESS 02 LOW OR OFF-SEASON NOT EMPLOYED 03 SHIFT WORK, FLEXI TIME, NATURE OF WORK **EMPLOYED** 04 VACATION, HOLIDAYS EMPLOYED 05 SICKNESS, ILLNESS, ACCIDENT **EMPLOYED** 06 MATERNITY, PATERNITY LEAVE 07 EDUCATION LEAVE OR TRAINING CHECK DURATION 08 OTHER PERSONAL LEAVE (CARE FOR FAMILY, CIVIC DUTIES...) 09 TEMPORARY LAY OFF, NO CLIENTS OR MATERIALS, WORK BREAK CHECK DURATION 10 BAD WEATHER, NATURAL DISASTER CHECK DURATION 11 STRIKE OR LABOUR DISPUTE CHECK DURATION 12 LONG-TERM DISABILITY CHECK DURATION 13 OTHER (SPECIFY): CHECK DURATION ABSSEA During the off-season, (do/does) (you/NAME) continue to do some work for that job or business? 02 NO ABSDUR Including the time that (you/NAME) (has/have) been absent, will (you/NAME) return to that same job or business in 3 months or less? CHECK INCOME RECEIPT 02 NO 97 DON'T KNOW CHECK INCOME RECEIPT (Do/Does) (you/NAME) continue to receive an income from (your/his/her) job or business during this absence? 01 YES **EMPLOYED**

CHECK INCOME RECEIPT



- For self-employment
 - Essential to establish that the production is intended mainly for use by other units (i.e. market-oriented)
 - Even if products are not sold / bartered (e.g. bad season)
 - If intention is mainly for own-use = Own-use production of goods



Main intended destination: Possible approach

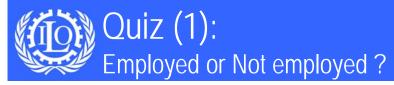
| QUESTIONS & INSTRUCTIONS | C | ODING CATEGORIES | SKIPS |
|--|----------------------|---|---|
| Was this work in? (Mark only one) | 01 02 03 | READ farming or rearing animals fishing other type of activity | →EMPLOYED |
| Thinking about the products you worked on, were they mainly intended for sale or for family use? | 01 02 03 04 | ONLY FOR SALE MAINLY FOR SALE MAINLY FOR FAMILY USE ONLY FOR FAMILY USE | →EMPLOYED →EMPLOYED →NOT EMPLOYED →NOT EMPLOYED |



- Complex subject
- Essential to include some questions if mixed farming or fishing activities are common in your country
- Can apply to production other than farming or fishing but for most countries farming or fishing will be most relevant
- Some guidance will be produced in reports to be published from pilot studies
- Will be further updated based on future pilot studies



- Need to identify persons with all types of jobs
 - Need to add several questions
- Questions should be appropriate for persons in all types of jobs
 - Self-employment jobs (employer, own account worker, contributing family worker)
 - Employee jobs (permanent, temporary, casual, including as paid apprentice)
- Useful to include examples in the questionnaire of most common types of jobs/activities likely to go unreported
 - casual, informal and/or part-time jobs
 - Or use an activity list
- If mixed production activities are common (partly selling, partly keeping) in your country – important to include questions on destination



- 1. Student who works on weekends at a supermarket for tips
- 2. Student doing an unpaid internship at a business
- 3. Student who helps tutor children during after-school hours
- 4. Homemaker who washes and irons clothes for pay
- 5. Pensioner who drives a taxi in the evenings



6. Farmer who grows rice mainly for family consumption, and from time to time sells the surplus to neighbors

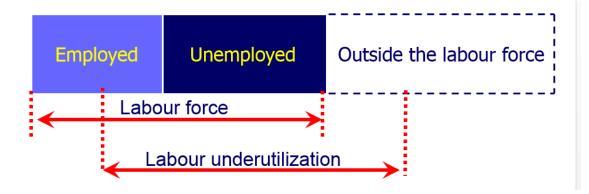


- 7. Tuk tuk driver standing in the corner waiting for clients
- 8. Office secretary away on maternity leave
- 9. Teacher away at a conference
- 10. Fisherman staying at home during the monsoon season
- 11. Informal whole sale trader waiting at home for new shipment
- 12. Government employee on education leave for 3 years



Labour force & Labour underutilization







"Refers to the current supply of labour for the production of goods and services

in exchange for pay or profit"

Para 11, Resol I. (19th ICLS, 2013)

Labour force = Employed + Unemployed

- Now focuses on work transacted for pay or profit
- When measured over a short reference period it provides snap-shot picture of labour market at a given point in time
- Serves to monitor labour market responses to economic cycles



- Classifies the population of working age
 - According to its relation to the labour market
 - In short reference period
- Based on
 - Activity principle
 - · What the person did
 - Priority rule
 - Employment over other activity
 - Employment over unemployment
 - · Unemployment over outside the labour force
 - 1-hour criterion



Working age population (a + b + c) In short reference period, Employment for 1+ hours With job for pay / profit, not at work Available a. Employed b. Unemployed Labour force (a + b) C. Outside the labour force

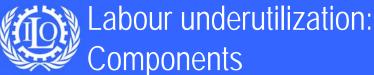


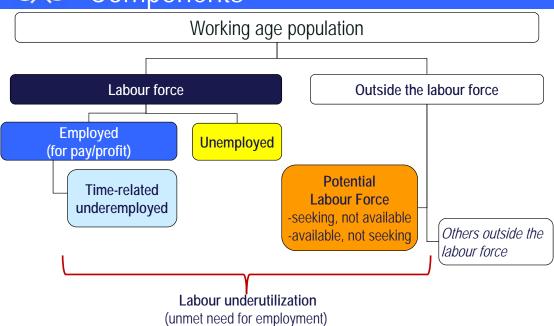
Labour underutilization

"Refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population"

Para 40, Resol I. (19th ICLS, 2013)

- In reference to employment (work for pay or profit)
- Focuses on issues of insufficient labour absorption
- For monitoring labour markets







Labour underutilization – changes from previous standards

- Old standards referred to time related underemployment but not the potential labour force
- Unemployment rate was typically the only underutilization indicator published (with some exceptions) and the main focus of the standards
- New standards recognise the need to extend the range of indicators while retaining unemployment

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- · Indicator of current unused supply of labour
- Different from beneficiaries of unemployment insurance
- Emphasis on monitoring labour markets
 - Captures persons without employment, putting pressure on labour market
 - Signals situations of potential match between available labour supply (people) and available demand (jobs)
- May be engaged in other activities, or receive government benefits
 - Unemployed housewife, unemployed student, unemployed subsistence farmer, unemployed pensioner
- Measured only through household surveys
 - Need to establish person's job search and availability



- Working age persons who were:
 - 1. Not employed in
 - last 7 days / reference week
 - 2. Carried out activities to seek employment in
 - last 4 weeks / reference month
 - 3. Available to start job/business
 - In reference week OR
 - In short subsequent period (up to 2 weeks)

Must fulfil ALL three criteria to be classified as unemployed

Refers to search for ANY type of work for pay/profit, including for few hours



- Must create an opportunity for a job match
- Examples of active search methods (when to find a job opportunity):
 - Arranging for financial resources, applying for permits
 - Looking for land, premises, machinery, supplies, ...
 - Seeking assistance from friends, family, other intermediaries
 - Registering with or contacting public or private employment services
 - Applying to employers directly, checking at worksites, farms, factory gates, markets, etc
 - Placing / applying to newspaper or online job ads
 - Placing / updating resumes on professional sites online



Potential labour force scope

- Sub-group of persons outside the labour force
- With expressed interest in employment (desire to work)
- Relevant in contexts with
 - Limited labour market, job opportunities
 - Limited channels to seek employment
- Relevant for groups
 - With other responsibilities (women, students)
 - Environment limits their capacity to seek / be available for work

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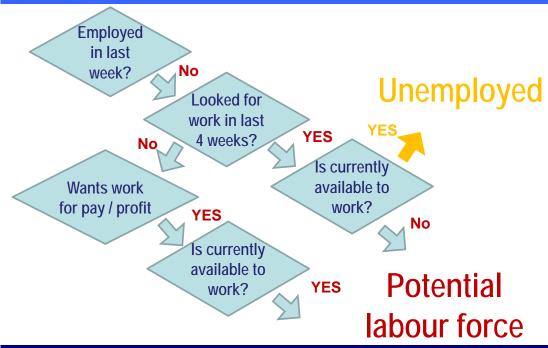


Population outside labour force by labour market attachment

- 1. Seeking employment, but not available
- 2. Not seeking employment, but want and available to work
- 3. Not seeking, Not available but want employment
- 4. Does not want employment

POTENTIAL LABOUR FORCE

Based on SAME questions used to identify the unemployed



Sample questions (partial sequence) to identify unemployment and PLF

| During the last four weeks, that is from [DATE] | YES | 01 | |
|--|-----|----|--|
| up to [DATE] did (you/NAME) do anything to | | 02 | |
| find a paid job? | | | |
| Or did (you/NAME) try to start a business? | YES | 01 | |
| | NO | 02 | |
| What did (you/NAME) mainly do in the last four weeks to (find a paid | | | |
| job/start a business)? | | | |
| At present (do/does) (you/NAME) want to | YES | 01 | |
| work? | NO | 02 | |
| If a job or business opportunity had been | YES | 01 | |
| available, could (you/NAME) have started | NO | 02 | |
| working last week? | | | |
| Or, could (you/NAME) start working within the | YES | 01 | |
| next two weeks? | NO | 02 | |

Reflects a situation when
the working time of persons in employment
is insufficient in relation to alternative employment situations
they are willing and available to engage

Para 40. Resol. 1, (19th ICLS, 2013)

- · Significant component of labour underutilization
- To be disseminated together with unemployment rate
- Does not capture other dimensions of underemployment due to skills mismatches or low remuneration

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Time-related underemployment Operational approach

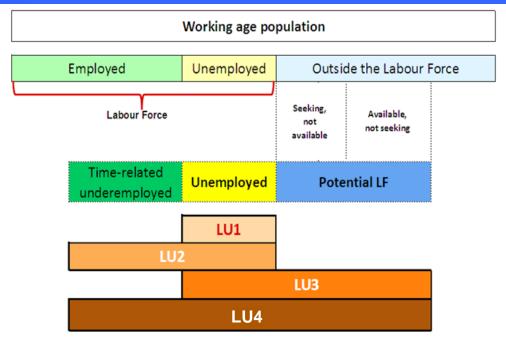
- Need to identify if employed respondents would like to work more hours and are available to do so
- Also need to establish a national threshold for boundary between part-time and full-time employment

| Would (you/NAME) want to work more hours per week than | YES | 01 |
|---|--------|----------|
| usually worked, provided the extra hours are paid? | NO | 02 |
| Could (you/NAME) start working more hours within the next | YES | 01 |
| two weeks? | NO | 02 |
| How many additional hours per week could (you/NAME) | | |
| work? | | |
| | NUMBER | OF HOURS |

 TRU = those working less than full-time hours and willing and available to work more



LU1-LU4: Composite measures of labour underutilization



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Indicators of labour underutilization (1)

Four indicators: to assess the nature of LU throughout the business cycle:

• LU1: Unemployment rate:

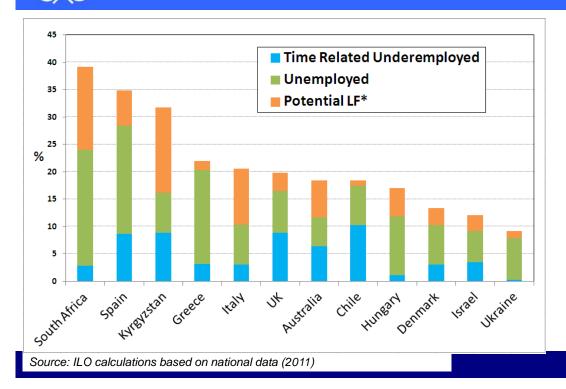
[persons in unemployment / labour force] x 100



- LU2: Combined rate of time-related underemployment and unemployment:

 [(persons in time-related underemployment + persons in unemployment) / labour force] x 100
- LU3: Combined rate of unemployment and potential labour force: 3

 [(persons in unemployment + potential labour force) / (extended labour force)] x 100
- LU4: Composite measure of labour underutilization:
 [(persons in time-related underemployment + persons in unemployment + potential labour force) / (extended labour force)] x 100



Quiz: Are these people underutilized?

- Person who wants to work and has been looking but could not work at the moment due to family responsibilities
- Person who does not want to work but is available because they are doing nothing in particular
- 3. A student who wants to work, was looking and is available but gave up looking because they could not find anything in their area
- 4. A person who works 20 hours a week in a restaurant and could work more but isn't really interested because they are a full time student
- 5. A person who works 30 hours a week, wants to work more and is available to do that if the work was available
- 6. A person who has no work, could start immediately and goes every day to construction sites to try to get work





Relevance & uses

- Essential to household/family livelihoods, food security
- Central in rural areas, but also in urban areas
- Component of household income
- Contributes to economic output
- Contributes to specific industries & sectors
- To address issues of gender equity, access to employment, work-life balance



- Producers of goods for own final use
 - All persons of working age who, during a short reference period, performed any activity to produce goods for own final use
 - Part of labour input to production within SNA boundary
- Providers of services for own final use
 - All persons of working age who, during a short reference period, performed any activity to provide services for own final use
 - Part of labour input to production beyond SNA boundary
 WITHIN General production boundary

Scope of activities for own final use

A. Goods

- Goods produced and/or processed for storage:
 - From agriculture, fishing, hunting, gathering
 - From mining, forestry, incl. firewood, other fuels
- Fetching of water
- · Household goods manufactured
 - Furniture, textiles, clothing, pottery
- Build own dwelling, major repairs

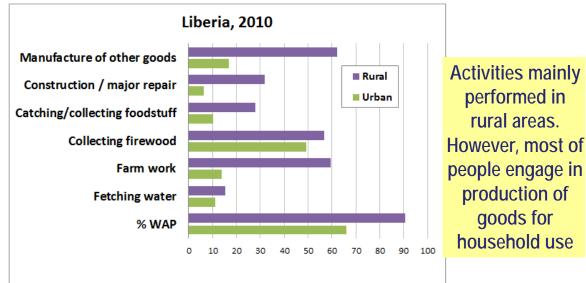
B. Services

- Managing the household and accounts
- Buying goods, transporting them
- Preparing food, serving meals, recycling, throwing the rubbish
- Cleaning, maintaining household premises, fixtures, other goods, decorating, gardening
- Caring for children (including instruction) or elderly members, transporting them, caring for pets



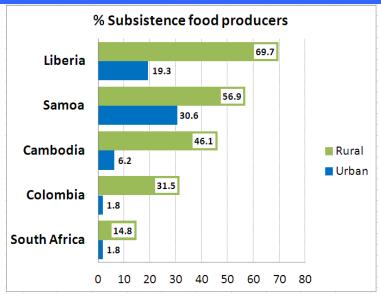
- For participation levels & differences among groups
 - Headcounts & participation rates (%WAP) by activity
 - Subsistence foodstuff producers
 - Own-use producers of goods
 - Own-use providers of services
- For contribution of labour input into production (national accounts)
 - Volume rates (hours actually worked)
 - · Own-use production of goods
 - Own-use provision of services (satellite accounts)

Own use producers of goods by area and activity (%WAP)



people engage in production of goods for household use

Source: ILO calculations based on national data (LFS-CWIQ, 2010)



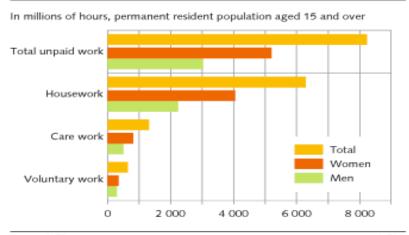
Source: ILO calculations based on national data (2010-2012)

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"Producers of foodstuffs from agriculture, fishing, hunting and/or gathering activities"



Time spent on unpaid work 2010



Around 8.7 billion hours on unpaid work 2/3 of which, by women

Source: SLFS © FSO



Unpaid trainee work

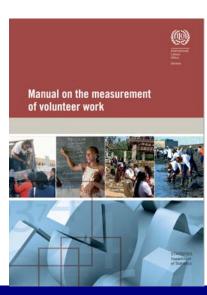
- Activities to produce goods & services for others performed without pay in order to acquire workplace experience or skills
- Quite substantial in many countries
- Some countries already have measurement practices through LFS
- No guidance yet on measuring this but ILO is planning research

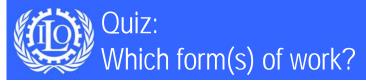
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Volunteer work

- Non-compulsory activities performed without pay to produce goods and services for others
- Manual published by ILO
 - Describes concepts, operational defintions
 - Includes recommendations for measurement
- Published before 19th ICLS
 - · Update needed
 - ILO working in partnership with UN Volunteers to deliver updated guidance





- 1. Person who operates a general corner store selling groceries
- 2. Person who works at a store selling clothes for a commission
- 3. Student doing a full-time unpaid internship at an electronics factory
- 4. Person who works as government employee & also helps fundraising for a charity
- 5. Person who raises chicken for sale & grows rice for family consumption
- 6. Person who cleans, cooks, cares for own family & also sells food on the streets
- 7. Person constructing own house & growing vegetables for family consumption



Review – main changes in the standards and implications



- New definition of work and forms of work
- 2. Narrower definition of employment
- 3. New indicators of labour underutilizaion



Main implications of the changes

- Participation in different forms of work can be measured and reported on
 - More comprehensive picture of peoples activities and how they maintain their households
- Better separation of different activities which will allow more meaningful analysis (e.g. employment now closer to the concept used by policy makers)
- More comprehensive coverage of peoples activities both in forms of work and additional labour underutilization indicators – major gender relevance
- All the above only possible if the standards are implemented and the statistics published
- · Practically expect employment to be lower and unemployment to be higher
 - Depends on existing country practices and context



- Communications challenges
 - There will be breaks in series when surveys are changed
 - Need to have a good testing strategy to provide information
 - Often there are national targets for indicators (e.g. Employment to population ratio) and the targets will refer to old measures
 - Need to inform users and national social partners of changes before they are made and explain the benefits
- Technical challenges
 - Questionnaires need to be updated
 - Need to decide which forms of work are covered at which frequency
 - All should be covered at some point in time but some more frequently



Other developments – ICSE-18



- Through wide consultation the international classification of status in employment (ICSE-93) was reviewed
- Main use of ICSE-93 was to disaggregate employment between self-employment and paid employment
- This is insufficient to understand the variety of work relationships in existence, some of which are growing rapidly
 - Dependent contractors
 - Gig workers etc.
- New classification just adopted at 20th ICLS in October 2018



- Defines work relationship based on level of authority and level of economic risk
- Two hierarchies based on the same 10 detailed categories

ICSE-18 overview - Authority

Independent workers

Employers

- Employers in corporations
- Employers in household market enterprises

Independent workers without employees

- Owner-operators of corporations without employees
- Own-account workers in household market enterprises without employees

Dependent workers

Employees

- Permanent employees
- · Fixed-term employees
- Short-term and casual employees
- Paid apprentices, trainees and interns

Dependent contractors

Dependent contractors

Contributing family workers

· Contributing family workers

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Other elements

- Classification of status at work covering other forms of work
- · Cross-cutting variables defined
 - Cover various topics relevant to work relationships
- Some measurement guidance has been developed and will be expanded based on measurement experiences with countries
- 20th ICLS requested a review of the framework for statistics on informality



Other developments – LFS tools and resources

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LFS tools and resources

- 19th ICLS requested ILO to undertake methodological work to develop guidance on best implementation practices for new standards
- Major pilot study programme 2015 to 2017
- Reports published on ILO website showing findings and guidance for questionnaire content
- Also developed model questionnaire and related guidance

https://ilo.org/lfsresources/



- Process of cognitive testing very useful in addition to field tests
- National translation and adaptation critically important to ensure relevance and quality
- · Frequently used terms not always understood as intended
 - Profit
 - Job
 - Employee
- Different questionnaire designs can achieve comparable results with careful designs
- See reports for more details



Thank you