

Labour Account – General Aspects

Manpreet Singh (Senior Statistician) - International Labour Organization

Country Course on Labour Accounts in Malaysia

14 – 18 October 2019, Perak, Malaysia

Labour Account - overview



- Labour is an **important factor** for **economic growth** and a **country's development**.
- Most **countries** collect **labour market data** via population and establishment censuses, household and enterprise surveys or administrative sources.
- Despite the **availability** of a variety of **information** being available, the **consolidation** and **compilation** of labour statistics can be **challenging** considering various data sources - coverage, concept being measured, definitions, reference periods.

Labour Accounts - overview



- Developing a Labour Account offers a framework to bring together labour market data from multiple statistical sources into coherent and consistent set of labour statistics.
- **Important** to note that the Labour Account is a complement to the existing suite of labour statistics.
- Users should continue to use the LFS for headline employment, unemployment and persons not in the labour force estimates. This is the data suite that is internationally comparable and aligned with International Labour Organization conventions.

ILO concept of decent work



The concept of Decent Work has been defined by the ILO and endorsed by the international community as

“Opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity.”

1999 International Labour Conference Report

Decent work as a global goal



Endorsed by ECOSOC, Presidential Summits and Head of State Summits in all regions, UN system, European Union, among others.

ILO Declaration on Social Justice for a Fair Globalization (2008) endorses Decent Work Agenda and its 4 dimensions:

- (i) International labour standards and fundamental principles and rights at work
- (ii) Employment creation
- (iii) Social Protection
- (iv) Social Dialogue and tripartism

Commitments to monitor progress towards decent work



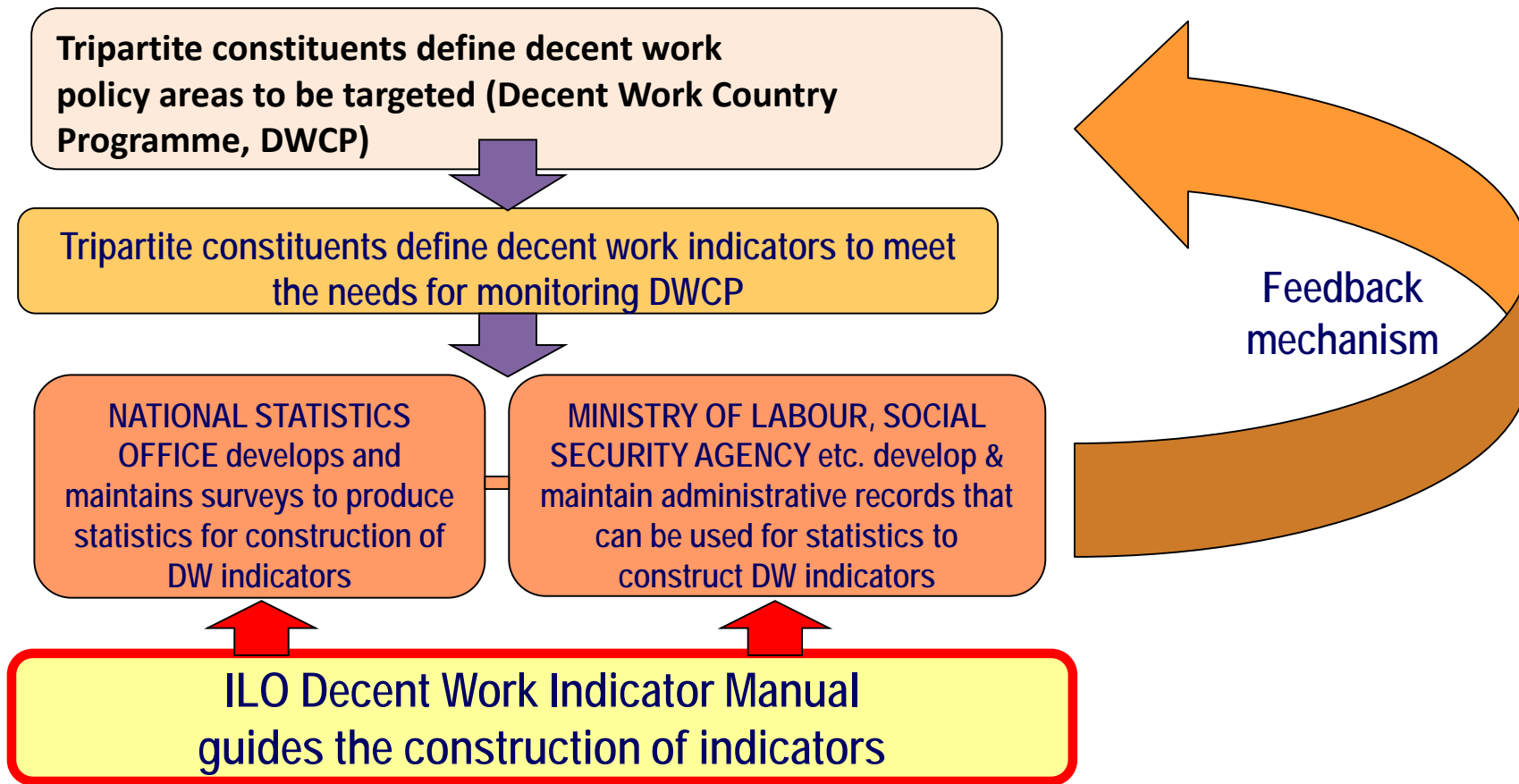
2008 Declaration on Social Justice for a Fair Globalization **recommends** that ILO Members may consider:

“the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate the progress made”

Monitoring of Sustainable Development Goals (SDGs) to 2030

Selected decent work-related indicators are part of the broader SDG indicator set

Coherence between national policies on decent work and statistical planning



Structure of Decent Work Measurement Framework



Grouping of statistical and legal framework indicators under 10 substantive elements:

1. Economic and social context for decent work (1 + 3)

2. Adequate earnings and productive work (1 + 3)

3. Decent working time (1 + 3)

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

5. Work that should be abolished (1 + 3)

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

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

8. Safe work environment (1 + 3)

9. Social security (1 + 3)

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

Plus one area on economic and social context

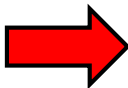
11. Economic and social context for decent work

Note: 1 = Rights at work, 2 = Employment opportunities, 3 = Social Protection, 4 = Social Dialogue

Different types of statistical indicators

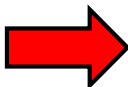
A layered approach to indicators:

Main indicators (M)



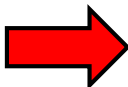
Parsimonious core set of indicators to monitor progress towards decent work

Additional indicators (A)



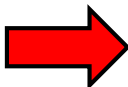
To be used where appropriate, and where data are available

Context indicators (C)



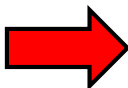
Provide information on the economic and social context for decent work

Future indicators (F)



Currently not feasible, but to be included as data become more widely available

Legal framework indicators (L)



Qualitative information included under the legal framework

NOTE:

- Gender is a cross-cutting concern of the Decent Work Agenda

18 Main statistical indicators in the DW Measurement framework



- 1 – EMPL-1. Employment-to-population ratio (EPR)
- 2 – EMPL-2. Unemployment rate (UR)
- 3 – EMPL-3. Youth not in employment, education or training (NEET), 15-24 years
- 4 – EMPL-4. Informal employment rate (IER)
- 5 – EARN-1. Working poverty rate (WPR)
- 6 – EARN-2. Employees with low pay rate (ELPR)
- 7 – TIME-1. Employment in excessive working time (more than 48 hours per week)
- 8 – ABOL-1. Child labour rate (CLR)
- 9 – STAB-1. Precarious employment rate
- 10 – EQUA-1. Occupational segregation by sex
- 11 – EQUA-2. Female share of employment in senior and middle management
- 12 – SAFE-1. Occupational injury frequency rate, fatal
- 13 – SECU-1. Share of population above the statutory pensionable age (or aged 65 or above) benefiting from an old-age pension
- 14 – SECU-2. Public social security expenditure (percentage of GDP)
- 15 – DIAL-1. Trade union density rate (TUR)
- 16 – DIAL-2. Employers' organization density rate (ED)
- 17 – DIAL-3. Collective bargaining coverage rate
- 18 – DIAL-4. Indicator for Fundamental Principles and Rights at Work

Decent work measurement goes beyond traditional labour statistics



Workers experience decent work (or decent work deficits) from a perspective which goes beyond the scope of traditional labour statistics.

They might ask:

- How family-friendly are work arrangements?
- Do I get a living wage?
- Do workers have to work long hours?
- Can I join a union?
- Do migrant workers face discrimination?
- What happens when I fall sick?
- How dangerous is work?
- Will I get paid maternity / paternity leave when I get a baby?

On some of these questions, traditional labour market statistics can give answers – but it's more difficult for others.

Gender as a cross-cutting concern of the Decent Work Agenda:

- Should not be treated in isolation, but measurement should inform about women's and men's access to decent work across all substantive elements.
- Therefore, wherever possible, indicators should be reported separately for women and men in addition to the total.

Manual on Decent Work Indicators



Title: *Decent Work Indicators - Guidelines for producers and users of statistical and legal framework indicators*

Purpose: Pragmatic tool to provide a basic understanding of how to define and interpret statistical and legal framework decent work indicators

Intended users: Both users and producers of statistical and legal framework decent work indicators

Manual content:

Chapters by substantive element, sections by type of indicator (statistical or legal framework)

Labour Account – General Aspects



- The ILO describes **two approaches** to compiling a labour account:
 - a) **cross-sectional approach**: involving confrontation and reconciliation of key labour market measures; and
 - b) **longitudinal approach**: incorporates changes to population and labour force via births, deaths and net migration, and includes measures such as duration of employment.

Australia and the **Netherlands** adopted the cross-sectional approach, while **Denmark** and **Switzerland** adopted both the cross-sectional and longitudinal approach to the development of the labour account.

Labour Account – General Aspects



- ILO lists **six central elements** in Labour statistics:
 - a) Employment persons and jobs,
 - b) Unemployment and underemployed persons,
 - c) Job vacancies,
 - d) Hours of work and full-time equivalents,
 - e) Income from employment and labour costs, and
 - f) Organization of the labour market (i.e. statistics on collective labour agreements, industrial disputes and trade-union memberships)
- **No country** yet **compiling** a labour account that measures **all** of these **elements**.

Labour Account – General Aspects



- **Labour Account** provides a framework to **bring together** labour market data from all **different available** sources.
- At present there is **no international standard** for developing a labour account.
- The ILO however has provided **guidelines** comprising **four basic steps** in the development of a **labour account** involved in **statistical integration**.

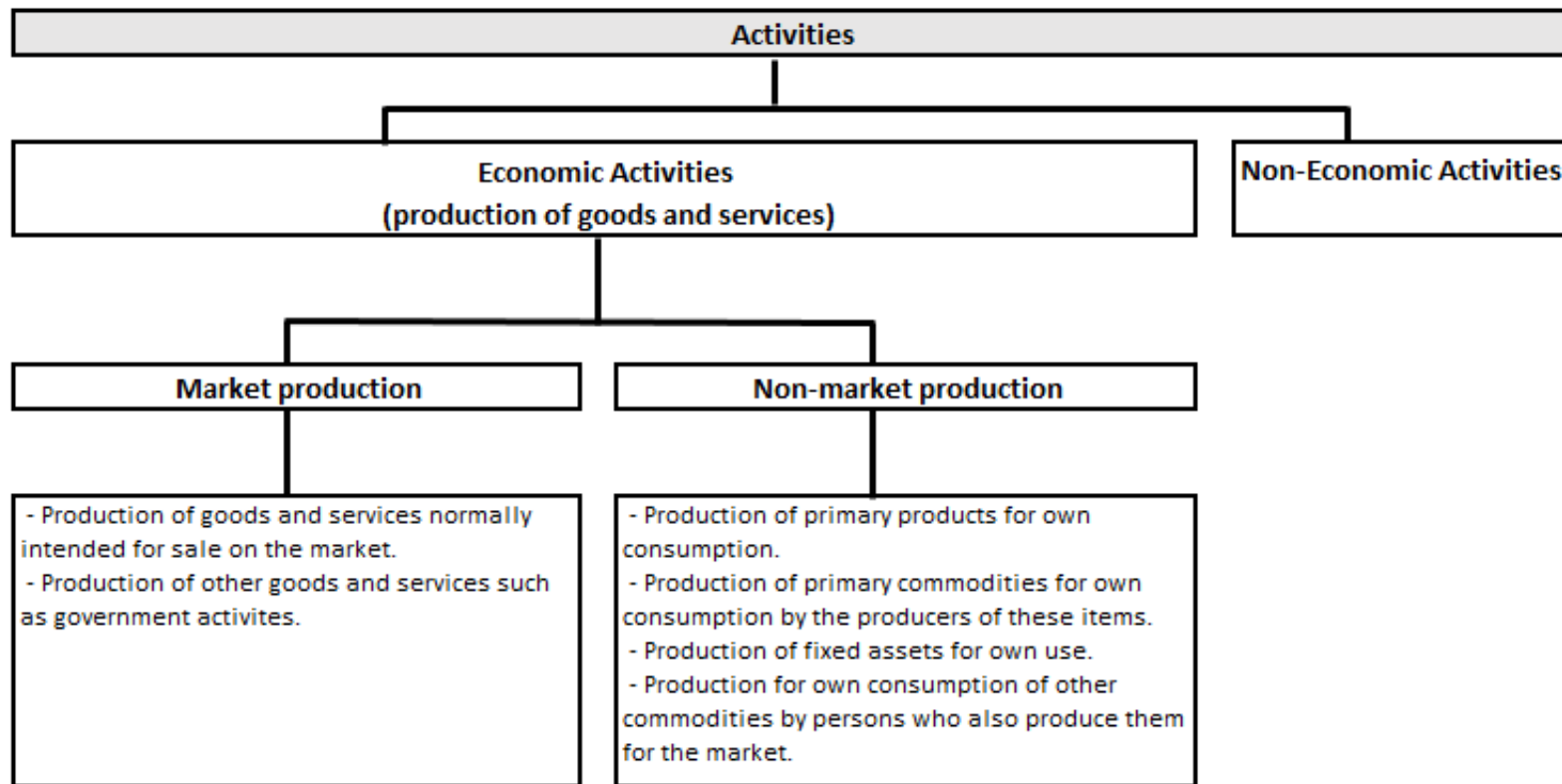
Step 1: definition of the model and the identity equation

Step 2: harmonization of definitions and classifications in source statistics, achievement of full coverage

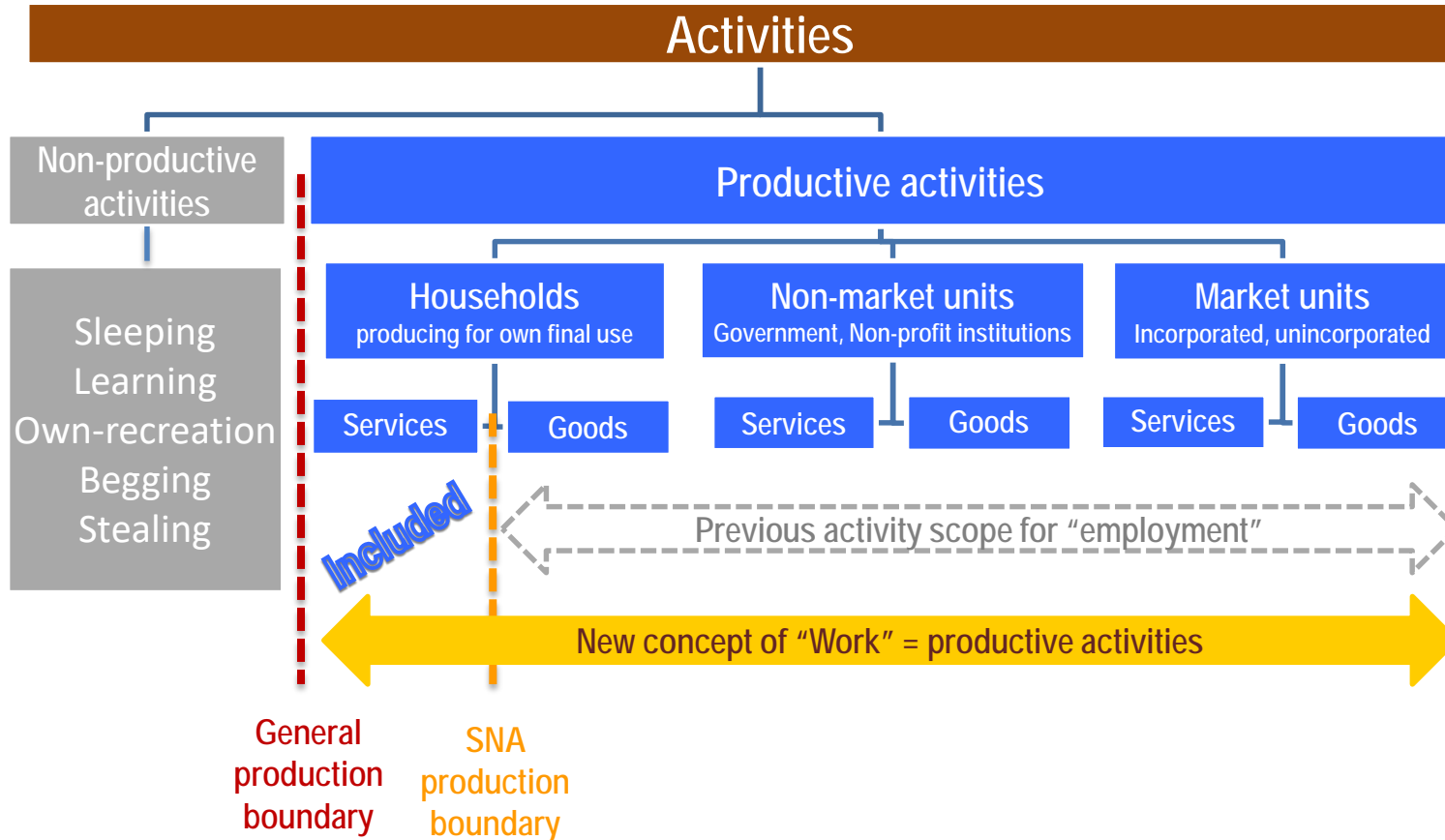
Step 3: minimization of measurement errors

Step 4: balancing

Labour Account – Economic Activity in terms of 2008 SNA concept of goods and services production



“Work” and the System of National Accounts (SNA)



RBA reflections on the Australian Labour Account: Statement of Monetary Policy, Feb 2019



“While the **LFS** will remain the **best and most timely indicator** of **overall labour market developments** (including employment growth and the unemployment rate), the ABS suggests that the Labour Account is likely to become the primary source of industry employment information.”

“The Labour Account's industry employment numbers have a number of potential advantages of over those in the LFS. The industry classification in the Labour Account aligns better with the measurement of industry value-added in the national accounts, and so the Labour Account should contribute to better estimates of industry productivity growth.”

“The **Labour Account** also takes a more **comprehensive approach** to estimating the amount of labour employed in each industry, for instance by including the employment of non-resident visa holders.”



100
1919-2019

SOCIAL JUSTICE
DECENT WORK

A word cloud of 'thank you' in various languages and scripts, including:

danke, 謝謝, ngiyabonga, teşekkür ederim, tapadh leat,

спасибо, Баярлалаа, rahmat, ありがとう, 감사합니다, xiexie,

gracias, mochchakkeram, maith agat, arigatō, takk, dakujem, trugarez,

obrigado, dziekuje, sukriya, kop khun krap, taiku, grazie, diolch, dhanyavadagalu, shukriya, merce, мерси,

bedankt, namm, nandri, kiitos, dankie, maururu, koszonom,

hvala, maubutu, vinaka, spas, mersi, kria oga, barka, welalin, tack,

dank je, misaotra, matondo, paldies, grazzi, mahalo,

nami, bayatalaa, gracie, hvala, maururu, koszonom,

dankon, aciu, akun,

dijere dieuf, tau, дякую, mamnun,

sagolun, chnorakaloutioun, gratias ago, gracies, sulpay,

najis tuke, rahmal, terima kasih, tanemirt, rahmet,

didi madloba, kam sah hamnida,

তোমাকে ধন্যবাদ,

encosi,

xвала, asante, manana,

obrigada, murakoze, tenki,

chokrane,

merci