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

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International standard-setting on labour statistics and the 19th ICLS
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
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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

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
Why the need for revision?
18th ICLS and UNSC, 39th session (2008)

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

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Work and
Forms of Work Framework
Work (§ 6)

1st international statistical definition

“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
• Excludes
  – Activities that do not satisfy the third person criterion
  – Activities that do not produce goods or services (begging, ...)
• Consistent with the scope of productive activities
  – Within the SNA General production boundary
  – Complete accounts (“national” and “satellite” accounts)
Forms of work framework (1)

• A classification of productive activities (not people!)

• Distinguishes different “types” of work (i.e. productive activities)
  – Main intended destination of production (own final use / use by others)
  – Type of transaction (for remuneration / without remuneration)

• Enables their separate measurement in full

• Supports more targeted monitoring to inform policymaking

• Permits coherence with national accounts
  – National production & satellite accounts
Forms of Work Framework (2):
By main intended destination & transaction type

Work
(i.e. ALL activities to produce goods and services)

For own final use
(by households)

For use by others (i.e. other units)

For remuneration (i.e. for pay or profit)

Employment
(work for pay or profit)

Without remuneration

Unpaid trainee work

Other work activities (e.g. unpaid compulsory work)

Volunteer work

Reference concept for Labour Force statistics

Own-use production work

Services

Goods

Services

Goods

S G

S G

G S

SNA labour input

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Forms of work (3): Basic concepts

- **Own-use production work**
  - Activities to produce goods & services *mainly for own final use by household*

- **Employment work**
  - Activities to produce goods & services [for others in exchange] *for pay or profit*

- **Unpaid trainee work**
  - Activities to produce goods & services for others performed *without pay in order to acquire workplace experience or skills*

- **Volunteer work**
  - **Non-compulsory** activities performed *without pay* to produce goods and services for others

- **Other work activities**
  - E.g. **Compulsory** activities performed *without pay* to produce goods & services for others
Labour force and
Labour underutilization
Labour underutilization: Scope

“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)
- Identifies groups among the employed & persons outside the labour force who share similarities with the unemployed
- Focuses on issues of insufficient labour absorption
- For broader labour market monitoring
Labour force & labour underutilization

Improved labour market monitoring across contexts

Working age population

Labour force

Employed (for pay/profit)

Unemployed

Outside the labour force

Potential Labour Force
- seeking, not available
- available, not seeking

Time-related underemployed

Want employment but not seeking, not available

Labour underutilization
(unmet need for employment)

Do not want employment
NEW Measures of labour underutilization (LU1-LU4)
Impact of new standards: Unemployment & LU measures (Urban/Rural)

Source: ILO calculations based on national data (2011)

Impact and LU measures particularly relevant for rural areas
Practical implications of new standards
Practical implications of new standards

a) Need to investigate *all forms of work*
   - Identify all forms of work for all persons of working-age
   - Measuring *working hours* in all forms

b) Review labour force surveys
   - Questionnaires / Manuals / Training
   - *New indicators*
   - Calculations in parallel
   - *Dissemination* of the changes and justification
   - *Frequency* of collection: intra / year / 3-5 years

c) Pilot tests to be organised in 2015
   - Technical tests of questionnaires based on new standards
Implications for statistics on Gender Equality
Impact of new standards (1)

• Work that is outside the production boundary is made visible:
  - Production services for own-use (95% female)
  - Volunteer production services directly to households (more than 50% female)

• All people working are quantified

• All hours worked are quantified

• Value estimation of all forms of work is feasible

• Better understanding of how different forms of work interact within households
Impact of new standards (2): Measurement of forms of work

% WAP engaged in different forms of work (Liberia, LFS 2010)

- Total
- Men
- Women
- Urban
- Rural
- 15-24

- Employed
- OWP-Goods
- OWP-Services
- Volunteer work
Restricting the concept of employment to paid work (remuneration or benefits)

- Reduces level of the labour force and the participation rate in labour force
  - The reduction is greater in women

- Reduces level and rate of employment
  - The reduction is greater in women

- May increase level and rate of unemployment
  - The increase is greater in women

- May reduce level and rate of underemployment (because employment is lower)
  - The reduction could be higher in women
Impact of new standards (4):
Unemployment & LU measures (pop. groups)

Impact and LU measures particularly relevant for Women and youth

Source: ILO calculations based on national data (2010)
Implications for entrepreneurship measurement
Implications for entrepreneurship measurement (1)

- ICLS Resolution makes no reference to entrepreneurship or asset ownership
- Will improve the overall framework of information available on activities of all workers in all forms of work
- International Classification of Status in Employment (ICSE) will be reviewed over the coming years
- Entrepreneurship requires specific measurement
  - Not a natural product of either forms of work or status in employment
Implications for entrepreneurship measurement (2)

- High priority on the development of more regular labour force statistics
- More regular surveys create the platform for measurement of related concepts such as entrepreneurship
- Need to consider which elements require regular (less detailed for trend evaluation) and irregular (structural) measurement
- System could involve regular LFS supplemented by irregular modules or less frequent standalone surveys or a combination of both
- ILO will advocate development of systems of survey in countries to meet different measurement needs but with core labour force statistics as the highest priority
Implications for entrepreneurship measurement (3)

Questions which need to be answered

• Which form of work is relevant for entrepreneurship?
  – Only ‘employment’?
  – Any interest in interactions between entrepreneurship and other work activities?

• Which elements require regular measurement and which irregular?

• Are there implications for ICSE or is entrepreneurship a complementary measure (or a subset of self-employment)?

• How is the element of time to be measured and reported on?
  – Are we interested in status or activity (stock or flow)?
Thank you
• 19th International Conference of labour statisticians
  
  [http://www.ilo.org/19thicls](http://www.ilo.org/19thicls)

• ICLS Resolutions and Guidelines
  

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