



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

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# International standard-setting on labour statistics and the 19<sup>th</sup> 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





# 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>



# Resolution concerning statistics of Work, Employment & Labour underutilization

- Adopted by 19<sup>th</sup> ICLS in October 2013 (brand new!)
- Updates previous standards on
  - Statistics of the economically active population, employment, unemployment and underemployment (13<sup>th</sup> 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?

## 18<sup>th</sup> ICLS and UNSC, 39<sup>th</sup> 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, ...*)



# Work and Forms of Work Framework



# Work (§ 6)

## 1<sup>st</sup> 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)**

**Without remuneration**

*Reference concept for  
Labour Force statistics*

**Own-use  
production  
work**

**Employment**  
(work for pay or profit)

**Unpaid  
trainee  
work**

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

**Volunteer  
work**

Services Goods

Services Goods

S G

S G

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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

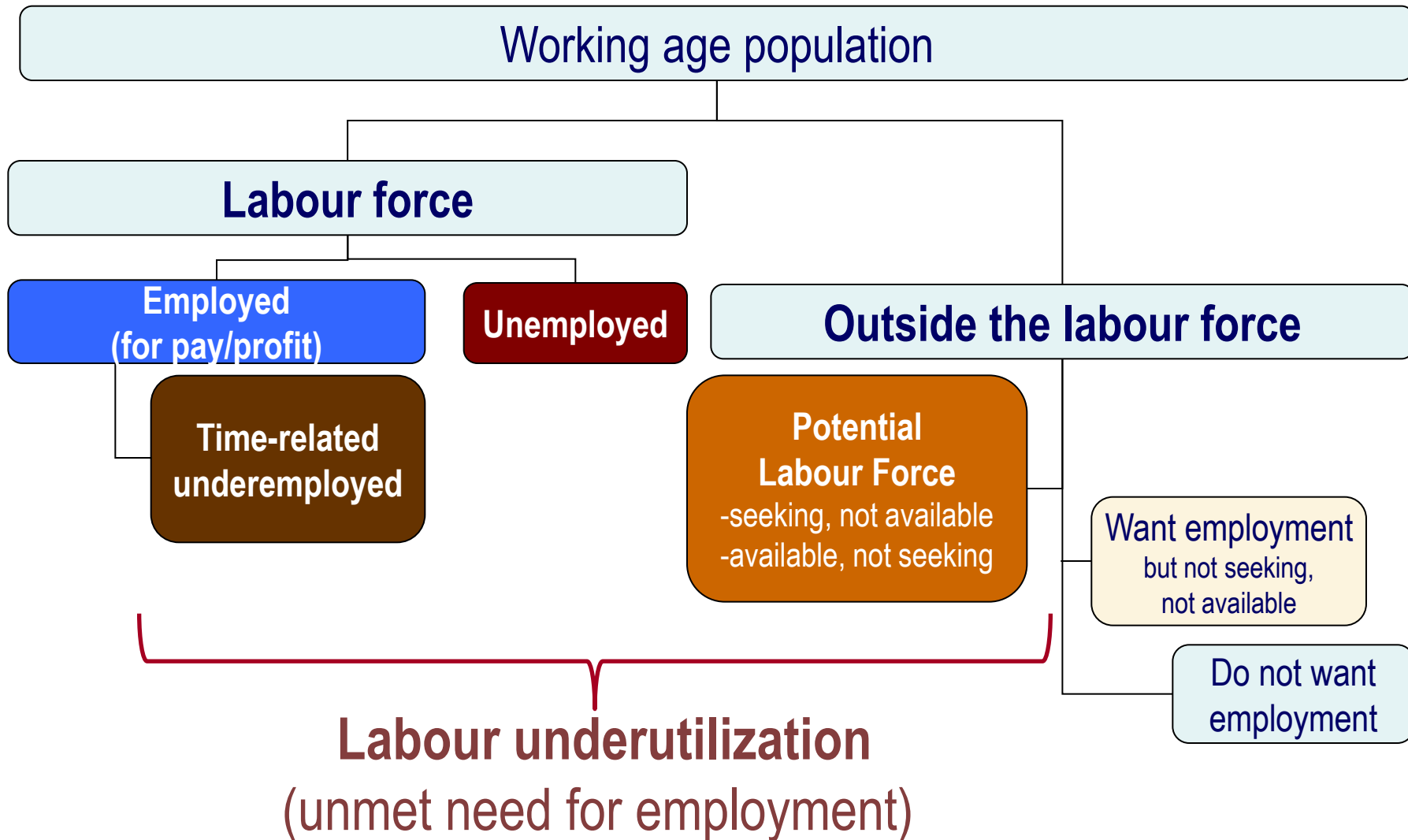
“Refers to mismatches  
between labour supply and demand,  
which translate into an **unmet need for employment**  
among the population”

*Para 40, Resol I. (19<sup>th</sup> ICLS, 2013)*

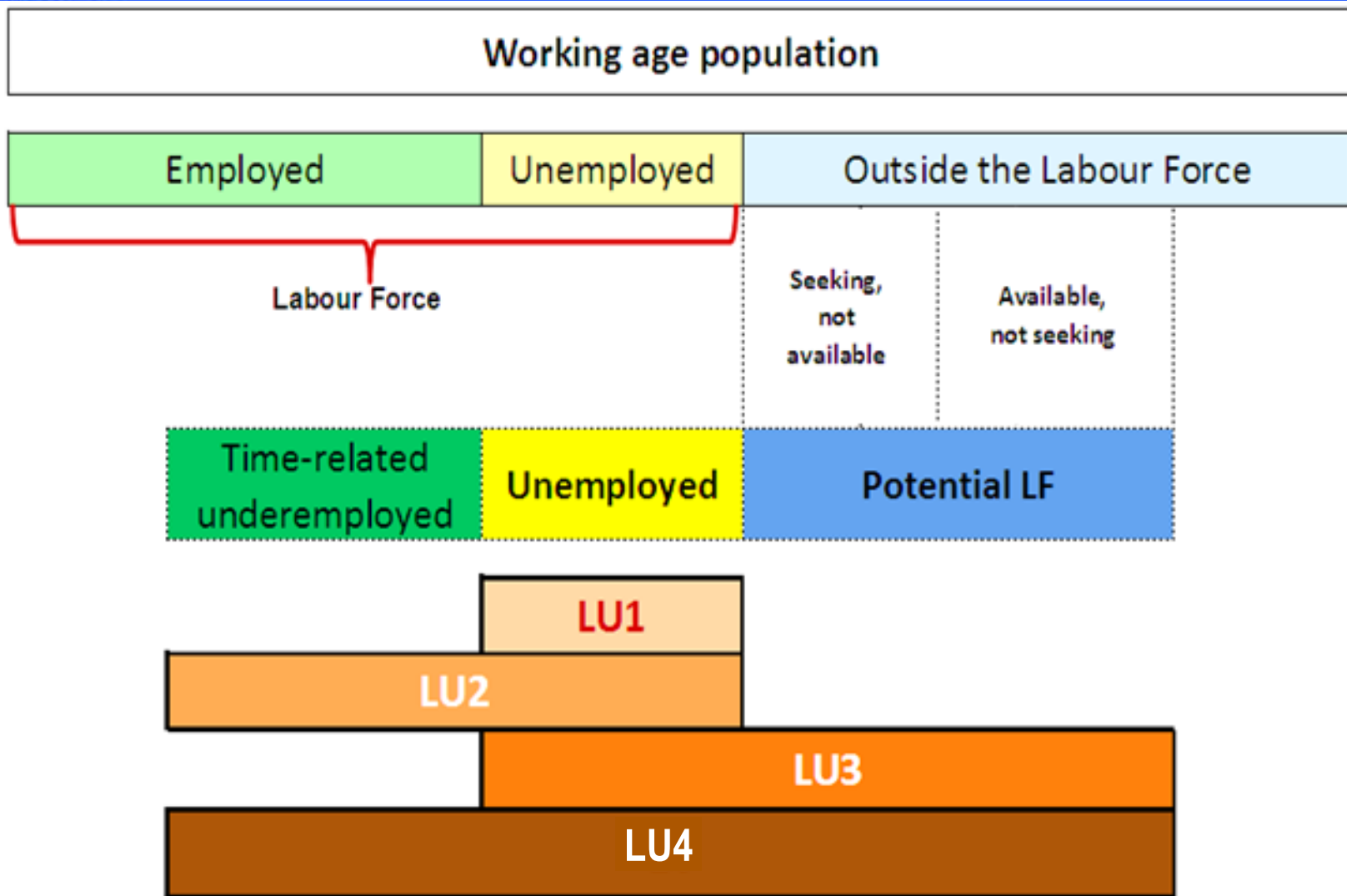
- In reference to employment (work for pay or profit)
- Identifies groups among the employed & persons outside the labour force who share similarities with the unemployed
- Focuses on issues of insufficient labour absorption
- For broader labour market monitoring

# Labour force & labour underutilization

Improved labour market monitoring across contexts

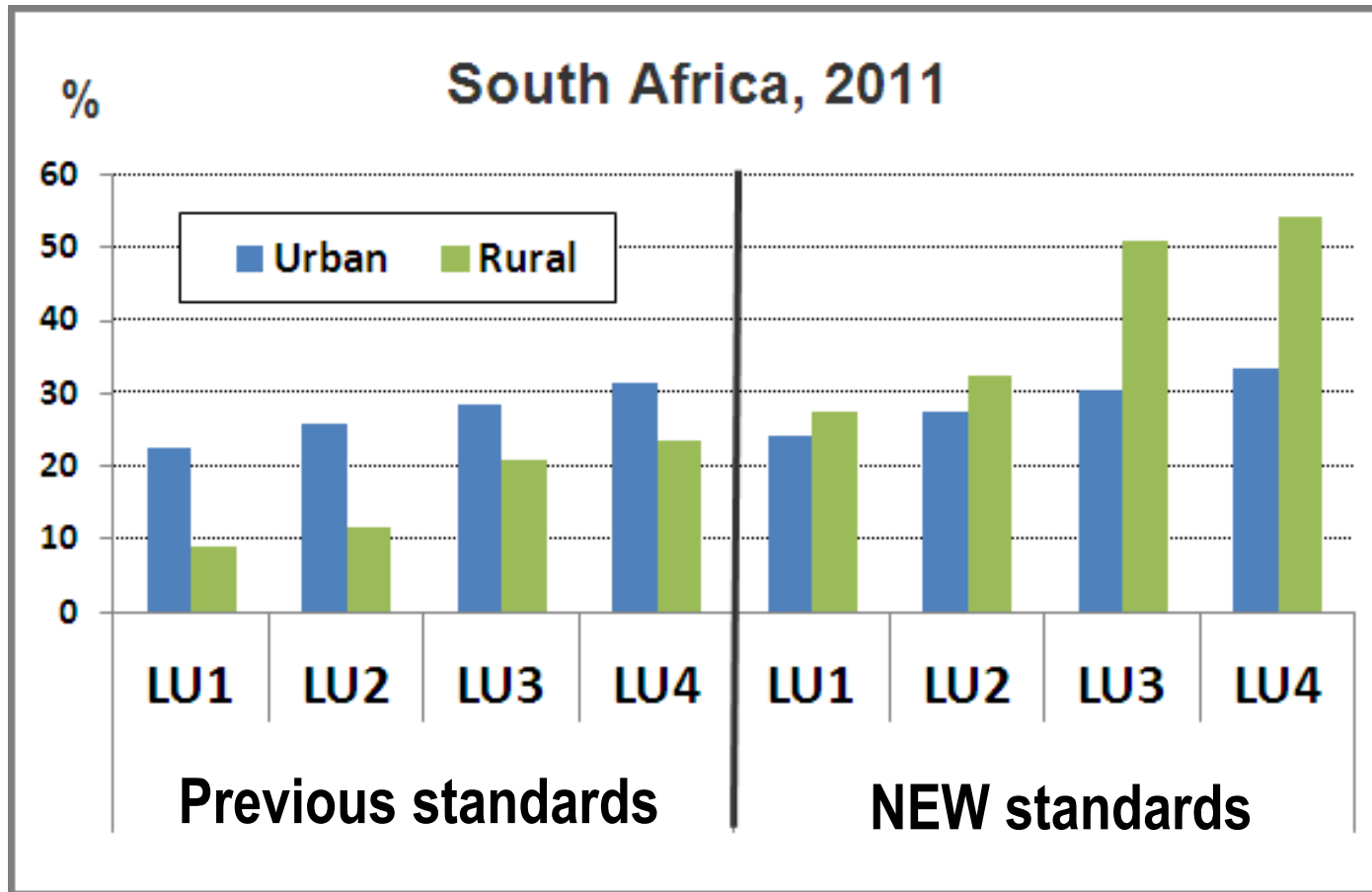


# NEW Measures of labour underutilization (LU1-LU4)





# Impact of new standards: Unemployment & LU measures (Urban/Rural)



Impact and LU measures particularly relevant for rural areas

Source: ILO calculations based on national data (2011)

# Practical implications of new standards

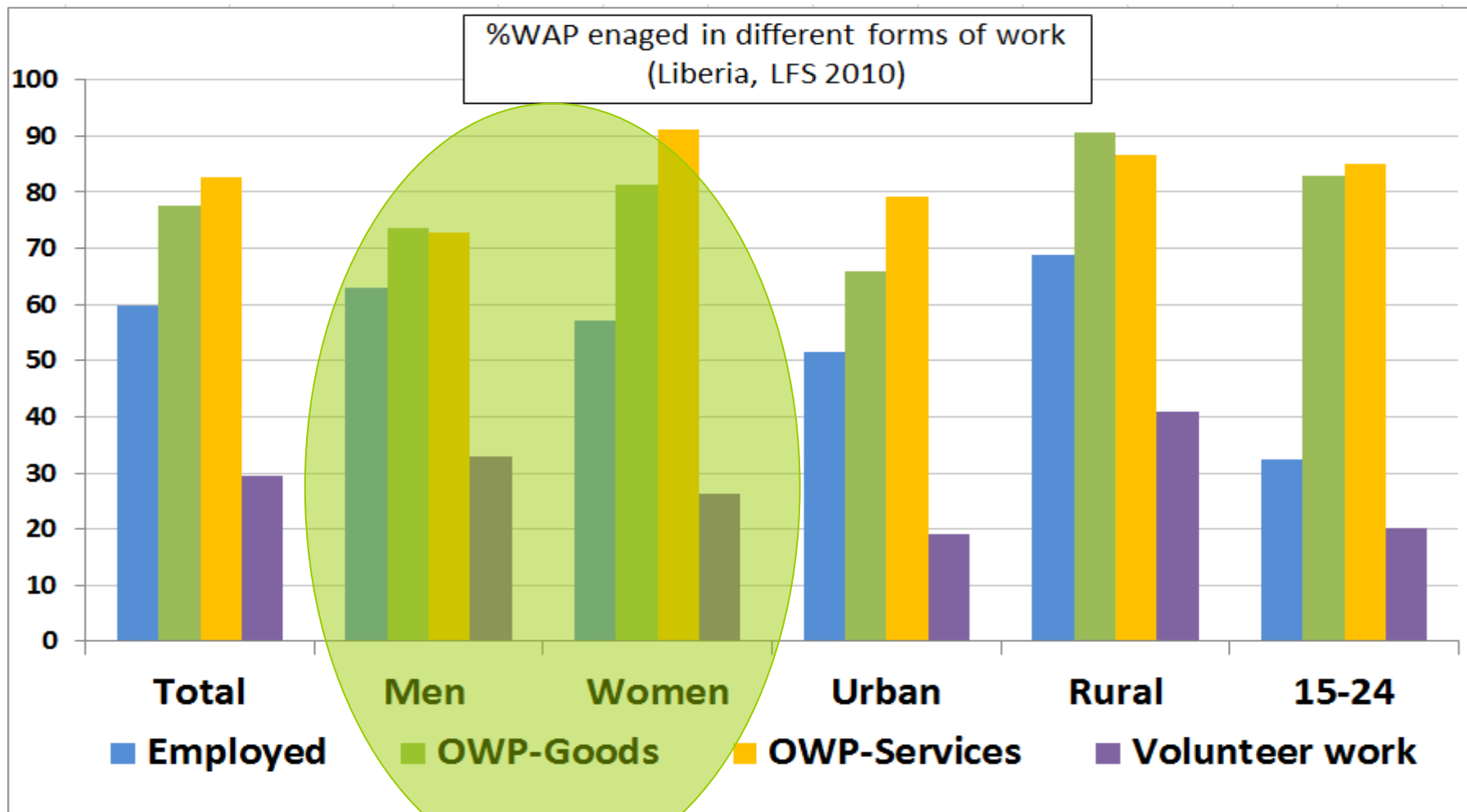
- a) **Need to investigate *all forms of work***
  - **Identify all forms of work for all persons of working-age**
  - **Measuring *working hours* in all forms**
  
- b) **Review labour force surveys**
  - **Questionnaires / Manuals / Training**
  - ***New indicators***
  - **Calculations in parallel**
  - ***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

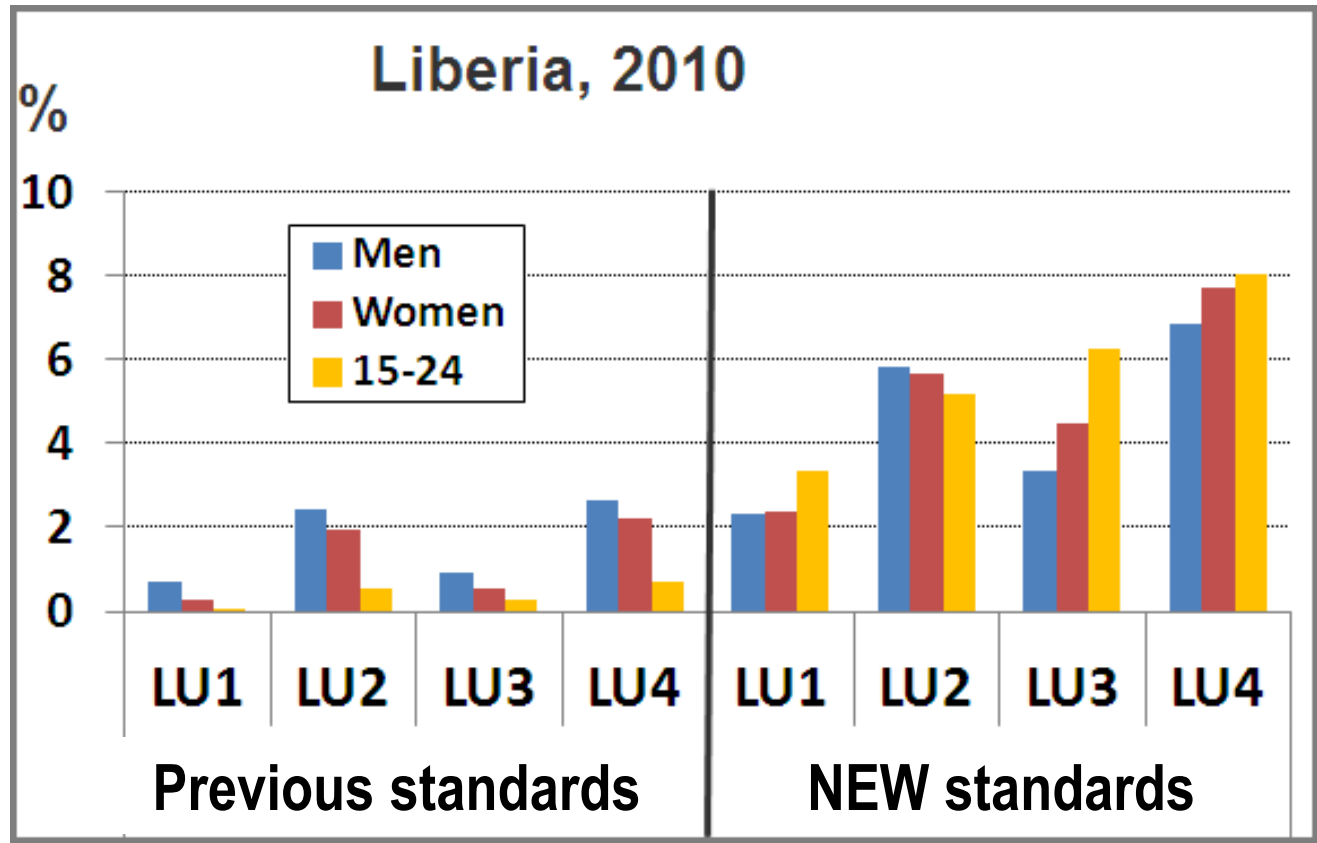


## Impact of new standards (3)

***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**

## 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



# Resources and Contact

- 19<sup>th</sup> International Conference of labour statisticians

<http://www.ilo.org/19thicls>

- ICLS Resolutions and Guidelines

<http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/>

- STATISTICS contact

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