Metadata for additional indicator under SDG 8.5

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Indicator 8.5.x: Employment-to-population ratio by sex, age and disability status

Institutional information

Organization(s):

International Labour Organization (ILO)

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Concepts and definitions

Definition:

The employment-to-population ratio is defined as the percentage of the working-age population (usually defined as persons aged 15 and above) who are in employment.

Rationale:

The employment-to-population ratio (EPR) is a key indicator for understanding the overall labour input in an economy. It provides information on the ability of an economy to generate employment and can be analysed together with indicators of economic growth in order to assess the extent to which growth has contributed to increased employment opportunities.

An increasing trend in the EPR usually indicates increasing employment opportunities within the economy in terms of the quantity of workers. However, a high ratio is not always necessarily a positive result, as it may signal, for example, limited education options for young people, minimal or non-existent unemployment assistance or other social benefits and/or economic hardship. Very high ratios often indicate an abundance of low quality jobs. Sharp increases could point to decreasing levels of labour productivity if not matched by increases in GDP. A low ratio means that a large share of the working-age population is unemployed and/or not attached to the labour force. Persons may not be in the labour force for reasons such as enrolment in an educational institution, retirement, carrying out domestic chores in their own household, illness or incapacity for work. Still others in this group may express a desire to work and be available to work but may not be seeking work for various reasons, both economic and noneconomic. This kind of information is essential for interpreting the EPR of various demographic groups, including youth, women and older persons.

Concepts:

Persons in employment are defined as all those of working age (usually persons aged 15 and above) who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. They comprise: (a) employed persons "at work", i.e. who worked in a job for at least one hour; (b) employed persons "not at work" due to temporary absence from a job, or to working-time arrangements (such as shift work, flexitime and compensatory leave for overtime).
For statistical purposes, the working-age population comprises all persons above a specified minimum age threshold for which an inquiry on economic activity is made. For purposes of international comparability, the working age population is commonly defined as persons aged 15 years and older. In addition to using a minimum age threshold, certain countries also apply a maximum age limit, although this is exceptional

Comments and limitations:

Although a high overall ratio is typically considered as positive, the indicator alone is not sufficient for assessing the level of decent work or decent work deficits. Additional indicators are required to assess such issues as earnings, hours of work, informal sector employment, underemployment and working conditions. In fact, the ratio could be high for reasons that are not necessarily positive – for example, where education options are limited, young people tend to take up any work available rather than staying in school to build their human capital. For these reasons, it is strongly advised that indicators should be reviewed collectively in any evaluation of country-specific labour market policies. Employment-to-population ratios are of particular interest when broken down by sex, as the ratios for men and women can provide information on gender differences in labour market activity in a given country. However, it should also be emphasized that this indicator has a gender bias in so far as there is a tendency to undercount women who do not consider their work as "employment" or are not perceived by others as "working". Women are often the primary child caretakers and responsible for various tasks at home, which can prohibit them from seeking paid employment, particularly if they are not supported by socio-cultural attitudes and/or family-friendly policies and programmes that allow them to balance work and family responsibilities.

Methodology

Computation Method:

Employment-to-population ratio = Persons employed / Working age population *100

Disaggregation:

The data is available at the global, regional and country levels, and disaggregated by sex and age groups. i.e. 15-24, 25+, 15+, 15-64, 65+). Regional and global estimates disaggregated by disability status are not currently available.

Treatment of missing values:

- At country level
  Countries with no data are reported as blank.

- At regional and global levels

To address the problem of missing data, the ILO designed several econometric models which are actively maintained and used to produce estimates of labour market indicators in the countries and years for which real data are not available. The Global Employment Trends Model (GET Model) is used to produce estimates – disaggregated by age and sex – of employment-to-population ratios, among many other indicators, using multivariate regression techniques to impute missing values at the country level.

The global and regional estimates of employment-to-population ratios produced are available at www.ilo.org/ilostat

Further information on the GET model are available at the following website: http://www.ilo.org/empelm/projects/WCMS_114246/lang--en/index.htm

Regional aggregates:

The country-level data, real or imputed, are aggregated to produce regional and global estimates of key labour market indicators, including the employment-to-population ratio.

Sources of discrepancies:

Differences between country produced and internationally estimated data may due to differences in data sources used, concepts and definitions used, age coverage, inclusion of armed forces, etc.

Data Sources

Description:
The main source of information needed for construction the proposed indicator are national labour force surveys, but population censuses and other types of household surveys with a module on employment are also potential data sources.

Collection process:
The ILO continuously collects labour statistics from member States via household survey microdata and automated (bulk) data collection processes. The ILO also launches during the second quarter of every year its annual compilation on labour statistics, requesting all countries for statistical information on a number of indicators, including the employment-to-population ratio. Data are checked for consistency with international statistical standards and are updated once per week on ILOSTAT.

Data Availability

Description:

ILOSTAT currently disseminates data for over 190 countries or territories. Disaggregations by disability status are currently available for 65 countries.

Time series:
The ILO central online statistical database ILOSTAT currently has country-level data going back to 1947, and projections going until 2030. In most cases, data are disaggregated by sex and age groups. Estimates are produced at global, regional and country level and disaggregated by sex and age

groups (i.e. 15-24, 25+, 15+, 15-64, 65+). Regional and global estimates disaggregated by disability status are not currently available.

Calendar

Data collection:
The ILO continuously collects labour statistics from member States via household survey microdata and automated (bulk) data collection processes. The ILO also launches during the second quarter of every year its annual compilation on labour statistics, requesting all countries for statistical information on a number of indicators, including the employment-to-population ratio. ILOSTAT, the ILO's central online statistical database, is updated weekly to reflect data received through these means. Usually, in the second half of a given year, most countries included in ILOSTAT would have data on the employment-to-population ratio referring to the previous calendar year.

Data release:

See paragraph above under Data collection.

Data providers

National Statistical Offices.

Data compilers

ILO

References

- ILO (2013). *Resolution concerning statistics of work, employment and labour underutilization.* 19th International Conference of Labour Statisticians. Available at: http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_230304/lang--en/index.htm
- ILO (2013). *Decent Work Indicators: Guidelines for Producers and Users of Statistical and Legal Framework Indicators.* Geneva. Available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_223121.pdf
- ILO (2010). *Trends Econometric Models: A Review of Methodology.* Geneva. Available at: http://www.ilo.org/empelm/pubs/WCMS_120382/lang--en/index.htm

- The global and regional estimates of employment-to-population ratios produced are available at www.ilo.org/ilostat

Related indicators

- Goal 1 End poverty in all its forms everywhere
  - By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day;
- Goal 5 Achieve gender equality and empower all women and girls

    - Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life;
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
    - Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
    - Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services;
    - Target 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training;