International labour statistics and their place in defining the scope, content and overall framework for social statistics

Prepared by

David Hunter
Bureau of Statistics, International Labour Organization

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1 The views expressed in this paper are those of the author and do not necessarily reflect those of the organizers, the ILO or its Bureau of Statistics.
Introduction

1. Statistics about human productive activities – commonly referred to as ‘labour statistics’ – provide information relevant for discussion of both economic and social issues and to inform the development of social and economic policies in more or less equal measure. From an economic perspective, they support analysis, evaluation and monitoring of general economic performance, issues of supply and demand in the labour market, labour costs and the effectiveness of current and longer term economic policies. From a social perspective, the relationships between availability of adequate and appropriate employment and concerns about social equality, social exclusion and alienation, family and community life, physical and psychological health and, not least, the capacity of individuals and families to support themselves are well documented.²

2. Statistics on work-related issues are thus frequently collected through a wide range of sources of social statistics including the population census, general purpose household surveys, time use surveys and a variety of social surveys. Of course, they are also collected in a variety of statistical collections with a primarily economic focus, and in those specifically focussed on issues associated with work, such as labour force surveys and establishment based surveys of employment.

3. There is a long history of international coordination, harmonization and standardization of labour statistics. The very first International Conference of Labour Statisticians, convened by the International Labour Office as long ago as 1923, adopted resolutions concerning the classification of industries and occupations, statistics of wages and hours of labour, and statistics of industrial accidents.³

4. It could be argued, however, that the substantial progress that has been made towards achieving internationally comparable labour statistics, most notably on employment and unemployment, but also in areas such as wages and hours worked, has been dominated by economic imperatives and the drive for international integration of economic statistics. Whether or not this argument stands up to rational analysis, and whether (if true) it is a good or bad thing for social statistics, or even provides the best economic statistics, may provide food for endless debate.

5. It seems to the author, however, that for the purposes of this Expert Group Meeting, the following questions need to be considered with respect to statistics about work.

   a. Do the statistics currently produced according to the extensive suite of international standards for labour statistics provide adequate information for the purposes of social as well as economic analysis?

   b. Are the current plans of the ILO and other international agencies to update the existing standards and for further data development in the field of work statistics sufficient to address any concerns among the users and producers of social statistics?

6. To provide a basis for discussion of these questions, the paper firstly summarizes the internationally comparable data currently collected by the ILO and the international statistical standards on which these statistics are based. Secondly, some of the deficiencies and concerns about the information currently available are discussed, together with the steps being taken or proposed by the ILO and other agencies to address these concerns. In doing so the paper focuses, in particular, on the concepts of work, employment, unemployment and underemployment.

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International statistics on work currently available

7. Labour statistics have traditionally described the size, structure, characteristics, outputs and contributions of the participants in the labour market and how these change over time. They cover a wide range of topics related to the World of work with a main focus on the economically active population (comprising the employed and the unemployed). Information is also provided about those who do not satisfy the criteria to be classified as employed or unemployed and form the economically inactive population.

8. The statistical model based on these concepts has provided a powerful framework for analysis of the labour market over an extended period. As a result statistics on the size and characteristics of the employed and unemployed are available for most countries and enjoy high levels of political and media attention. The relevance for many purposes, however, of an approach in which the total population of a country is divided rigidly into these three mutually exclusive and exhaustive groups, has increasingly been questioned by analysts concerned about a variety of social and economic questions. Many of these concerns are related to the use of labour statistics in social contexts. Some of these concerns are summarised in the later sections of this paper.

9. Labour statistics typically provide information on the following characteristics of the employed and unemployed population:

- the income from employment of persons in paid employment;
- their hours of work or working time;
- their participation in strikes and lockouts, union participation, collective bargaining and other social dialogue characteristics;
- their occupational injuries and diseases resulting from exposure to risk factors at work;
- their occupations;
- their status in employment;
- the industry or branch of economic activity of the establishment where they work;
- the institutional sector (whether corporation, household, public) in which people are employed;
- the demand for labour or vacancies;
- the cost of employing labour, or labour cost;
- the extent and characteristics of their social security coverage,
- their training experience;
- the income and expenditures of the households where they live.

10. In the context of a discussion on the use of labour statistics in social analysis it is important to note the need to identify certain population groups, such as the unemployed, low paid workers, the underemployed and those in informal or casual employment, who may be at risk as a result of their labour market characteristics. Such populations can generally be identified using specific categories in a classification scheme based on one or more labour market characteristics. Similarly, there is a need to provide information about the employment-related characteristics of population groups that may be disadvantaged in the labour market or the subject of social policy interest for other reasons. Such population groups would typically include migrants, lone-parents and their families, women, ethnic minorities, indigenous peoples, people with disabilities and many others.

11. Linked very closely to labour statistics is the Consumer price index (CPI), which measures the changes over time in the general level of prices of the goods and services that the population acquires, uses or pays for as consumption. Although the CPI and some of the characteristics of the economically active population mentioned above may not normally be considered within the scope of social statistics, and are not specifically statistics about work, they are mentioned here for the sake of completeness and to demonstrate the degree of interrelatedness and overlap between economic and social statistics. Indeed, international institutional responsibility for the CPI and for statistics of household income and expenditure rests primarily with the ILO because of the importance of these statistics in determining minimum wages and real wages and incomes.
12. The ILO collects internationally comparable statistics on many of the above topics on a regular basis, by sending both regular and occasional questionnaires to all countries. The internationally comparable estimates are available on the LABORSTA database and are published in compendium publications such as the Yearbook of Labour Statistics and the Bulletin of Labour Statistics. A number of other agencies such as the OECD and Eurostat collect and disseminate internationally comparable data on a regular basis.

International standards for labour statistics

13. Countries are able to provide data in an internationally comparable form as the result of agreement, over an extended period, on the scope and core content of labour statistics and on international statistical standards relating to the relevant concepts, classifications, methods and data collection methods. The nature and content of statistics on the above topics are conventionally covered in national programmes of labour statistics, as established within the framework of ILO Convention No. 160. The international statistical standards and guidelines on their measurement exist in the form of international resolutions and guidelines, adopted by the International Conference of Labour Statisticians (ICLS) and endorsed by the ILO Governing Body.

14. Two Conventions in the field of labour statistics have been adopted by the International Labour Conference. They form part of the International Labour Code and are legally binding commitments from the states that have ratified them. The first Convention (No. 63) concerns aimed at improving the comparability of statistics of wages and hours of work in specific industries. It was adopted in 1938 following a resolution of the Fifth International Conference of Labour Statisticians in 1937. Some 34 countries ratified this Convention.

15. The second ILO Convention on Labour Statistics (No. 160) was adopted in by the International Labour Conference in 1985 and replaced the previous Convention No. 63 adopted in 1938. It sets out minimum guidelines encompassing all areas of basic labour statistics. Conventions form part of the International Labour Code and are legally binding commitments from the states that have ratified them. Each of the countries which have ratified the Conventions is required to report to the ILO each year on their application. For labour statistics, the ILO Bureau of Statistics then makes a technical evaluation of the situation, on the basis of which the Governing Body's Committee of Experts on the Application of Conventions and Recommendations follows up on problems or queries with the countries concerned. Currently, 45 countries have ratified this Convention.

16. The International Labour Conference also adopted a Recommendation (No.170) concerning labour statistics in 1985. This is a non-binding instrument, which provides further guidance regarding frequency of data collection, recommended disaggregations of the statistics, as well as on national statistical infrastructures.

17. Resolutions are also non-binding instruments. They provide detailed guidelines on conceptual frameworks, operational definitions and measurement methodologies concerning the production and dissemination various aspects of labour statistics. Their purpose is to provide guidance to countries

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4 LABORSTA can be accessed from the ILO Website at the following address http://laborsta.ilo.org/
wishing to develop or revise their national labour statistics programmes as well as to enhance international comparability.

18. Resolutions adopted by the ICLS on current standards for labour and related statistics include those concerning: Consumer price indexes (2003), Household income and expenditure statistics (2003), the Measurement of underemployment and inadequate employment situations (1998), Occupational injuries (resulting from occupational accidents) (1998), the Measurement of employment related income (1998), Employment in the informal sector (1993), Strikes, lockouts and other action due to labour disputes (1993), the International Classification of Status in Employment (1993), and, last but not least, the Economically active population, employment, unemployment and underemployment. The most recent resolution concerning statistical standards endorsed by the IGO Governing Body concerns Updating the International Standard Classification of Occupations (ISCO). Exceptionally, it was adopted in December 2007 by a specially authorized Meeting of Experts on Labour Statistics, rather than by the ICLS. This was done instead of waiting for the 18th ICLS scheduled for late 2008, so that the updated ISCO would be available for use or adoption by countries in time for the 2010 round of national censuses.

19. Guidelines provide more general advice relating to particular areas of interest. In recent years the ICLS has adopted resolutions concerning: a statistical definition of informal employment (2003), a checklist of good practices for mainstreaming gender in labour statistics (2003), treatment in employment and unemployment statistics of persons on extended absences from work (1998), dissemination practices for labour statistics (1998), and the implications of employment promotion schemes on the measurement of employment and unemployment (1987). The status of these Guidelines is somewhat different from that of the ICLS Resolutions, in that the full procedure for development and consultation cannot be followed in the short time available. They do however represent the considered views of the ICLS at a particular point in time.

20. The 18th ICLS when it convenes in Geneva from 24 November to 5 December 2008 will be asked to adopt draft resolutions on the measurement of child labour and working time. It will review progress on work to develop measures of volunteer work and improved measures of labour underutilization, and will also consider proposals for development work related to the International Classification of Status in Employment, for a harmonized framework for wages statistics, for social security statistics and for a shared methodology for the collection and analysis of administrative data collected by public employment services and institutes of social security.

21. The statistical standards adopted according to these processes provide definitions of key concepts, including units of statistical observation and analysis. They also specify and define classification schemes and provide detailed recommendations on methods of data collection, processing and presentation. Many of the concepts and classifications defined are of relevance across multiple spheres of statistical activity, within and outside the traditional notion of labour statistics. The 2003 resolution concerning Household income and expenditure statistics, for example, provides definitions of the statistical units Family, Income unit and Dwelling unit and mentions a concept of ‘Housing unit’ without defining it. In providing a definition of household, it states that this ‘should be consistent with the one adopted in the latest version of the Principles and recommendations for population and housing censuses of the United Nations’. The concept of ‘job’, a key unit of analysis for statistics of working time and

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status in employment, and for data from employer-based surveys, is defined in the Resolution concerning the updating of ISCO\textsuperscript{11}.

**The concept of work**

22. Within the framework of the current international standards for labour statistics the concept of work effectively equates to the concept of employment. A person who works is employed while a person who does not work is either unemployed or economically inactive. These three broad categories do not, however, give the full picture. The concept of employment is defined explicitly, in the Resolution of the 13\textsuperscript{th} ICLS in relation to economic activity in terms the production of goods and services as defined in the System of National Accounts (SNA).

23. In SNA 93 ‘work’ is defined as ‘any activity which contributes to the production of goods or services within the production boundary’.\textsuperscript{12} The SNA ‘General production boundary’ includes as economic production all activities that are capable of being provided by one person to another.\textsuperscript{13} The ‘production boundary in the System’, however, excludes ‘domestic and personal services produced for own final consumption within households’. Unpaid activities, such as cleaning and maintenance of dwelling and household durables, preparation and serving of meals, caring for children and the infirm and transportation of people or goods, are thus excluded from measured production in national accounts when performed for consumption by members of one’s own household. They are not, therefore, counted as employment or work. The reasons given for this are that such activities have limited repercussions for the rest of the economy, that they are difficult to value in an economically meaningful way, and that to count all persons engaged in the production of own-account household services as economically active would render statistics on employment and unemployment meaningless, as virtually the entire population would be employed.\textsuperscript{14} This last point only holds true, however, if work and employment are deemed to be the same thing.

24. A second group of activities that are left out under the employment notion of work are those relating voluntary services for non-profit institutions not operating in the market. It is convenient to refer to these two groups of *unpaid household services* and *voluntary services* together as *unpaid non-market services*.

25. There is a wealth of analytical work that demonstrates the importance of unpaid market services in terms of the time devoted to them, their value in monetary terms, and their contribution to the well-being of society.\textsuperscript{15} Measurements of the volume of labour inputs based on time use surveys suggest that for many industrialized countries the total hours worked in the production of unpaid-market services is similar to or in excess of those worked in paid employment. Even when hours spent secondary activities and passive care are excluded the time spent on unpaid household services has been measured as half that spent on paid employment.

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\textsuperscript{11}http://www.ilo.org/public/english/bureau/stat/isco/index.htm


\textsuperscript{13}This concept, known as the third-person criterion and defined as “An unpaid activity of a household member that a third person could be paid to do”, was first introduced by Margaret Reid (1934). See UNIFEM’s Gender Fact Sheet No 3: Valuation of Unpaid Work, [http://unifem-eseasia.org/resources/factsheets/UNIFEMSheet1.pdf](http://unifem-eseasia.org/resources/factsheets/UNIFEMSheet1.pdf)

\textsuperscript{14}SNA 93, op cit., pp 123-125

26. The view that the unpaid production of household services has limited repercussions for the rest of the economy is therefore questionable. When households can and do employ others to provide the services such as cleaning, cooking and child care, it is difficult to assert that these activities are not work. The time spent in providing the service by the household member is also time when that person could otherwise be engaged in paid employment. The repercussions of changes in the volume of production of such services may, indeed, have significant impacts on the functioning of the paid labour market. For example, the increasing participation of women in paid employment, especially in industrialized societies, has led to an increasing tendency for households to purchase services such as cleaning, household maintenance and child-care, which are surely related to the rapid growth of employment in some service industries.

27. A further problem with exclusion of unpaid non-market services from a concept of ‘work’ tied to the concept of employment based on the SNA production boundary, is that the unpaid non-market production of goods is included within the production boundary. This approach may be justified from a national accounting point of view in the sense that a surplus of goods produced may be stored for future consumption or sale on the market, whereas services generally involve immediate consumption. In societies where subsistence production is prevalent, however, and where the boundary between the production of a good and a service may be blurred, it is of little value for most purposes of social analysis. Those who grow crops, collect food stuffs and raise and tend animals are classified as employed, whereas those who convert the products of these activities into meals and may provide many other services essential for the well-being of the household are classified as economically inactive. The fact that, in many societies, this distinction mirrors the traditional division of labour between males and females has a tendency to politicize the debate on this problem.

28. In analysis of social issues related to working time, the exclusion of time spent on unpaid household services from the concept of work poses particular problems with respect to statistics relevant to the balance between work and leisure and to the division of work between males and females. In child labour statistics it may be necessary to consider the total amount of working time spent both in employment and on household chores (unpaid household services) in order to determine whether the amount of work performed by children may be detrimental to their health, development or education. These are among the issues that will be considered when the upcoming ICLS debates draft resolutions on the measurement of working time and child labour.

29. Despite these problems it does not follow that employment statistics should be expanded to include the production of unpaid non-market services. There is a valid argument that statistics on employment and unemployment would become meaningless if all housework and voluntary work were counted as employment. As statisticians we would effectively abolish unemployment. One potential solution that has been put forward is to introduce a new concept of “work statistics”. Work in this context would consist of employment as currently defined, voluntary services and unpaid household work that meets the third person criterion. Thus work statistics would be expanded beyond employment statistics to include statistics derived from unpaid non-market services.16

30. A seminar has been organized during the 18th ICLS, as a response to these and other concerns, to discuss the desirability of adapting the conceptual basis of statistics on employment and unemployment, as defined by the 13th ICLS Resolution, in order to reflect current thinking on their relevance for economic and social policies and the description of labour markets.

16 A more detailed discussion of this idea can be found in A. Sylvester Young’s paper Labour statistics as social statistics: some challenges, presented at the Eurostat conference, Modern Statistics for Modern Societies, 67 December 2007, Luxembourg.
Measures of labour underutilization

31. According to the 13th ICLS Resolution a person is classified as unemployed if he or she does no work over a specified short reference period, not even for one hour, but is available to do so and is actively looking for work. The concept of unemployment defined in this way is understandable and useful for macro-economic analysis and policies, as it ensures that employment can be defined to include all labour inputs to production. This definition of unemployment does not, however, completely reflect the well-being of people or the extent to which their aspirations for employment are met. It provides, therefore, only a partial measure of labour underutilization.

32. In developing countries, in particular, unemployment according to this definition tends to be low, and is often lower than in many industrialized countries. However, a low unemployment rate in developing countries cannot be taken as an indicator of economic well-being in these countries, or as an indicator that people’s aspirations for work are largely met. It rather means that the concept of unemployment, as defined by the 13th ICLS, is of limited relevance in describing the employment situation in developing countries. In these countries, most people cannot afford to be unemployed for any long period of time, because there may be no unemployment insurance or other social protection schemes from which they can claim benefits, and because their families are too poor to support them.

33. In many cases the expectations about job opportunities among people who are out of work are not sufficiently high to make them seek work actively, or conditions are such that conventional means of seeking work are of limited relevance. This situation may apply in both developing and developed countries, especially during times of economic downturn. In such situations, most people are ready to take any job that is available, or to create their own employment (mainly in the informal sector). The excess supply of labour is thus absorbed through a decrease in earnings or productivity, rather than through an increase in the number of unemployed persons. Many of those who can neither find work nor create a job for themselves end up being classified as economically inactive rather than as unemployed.

34. As a result, some countries use a relaxed definition of unemployment in parallel with the standard definition. However, the use of different indicators of unemployment in parallel often confuses the media and other statistics users. Such an approach may still count as employed many of those who perform work that does not adequately provide for their well-being. In response, the ILO has launched a project aimed at developing an indicator of labour underutilization that might supplement the unemployment rate, for description and analysis of social issues related to the availability (or not) of decent work.

Status in Employment

35. The International Classification of Status in Employment (ICSE-93) classifies jobs with respect to the type of explicit or implicit contract held by the person holding the job with the economic unit in which the person is employed. There is concern that the categories specified in the ICSE of Employees, Employers, Own-account workers, Members of producers’ cooperatives and Contributing family workers do not provide sufficient information to adequately monitor the changes in contractual arrangements that are taking place in many countries, especially among workers whose status in employment is unclear or are in informal employment.

36. The resolution does provide advice on the statistical treatment of particular groups including owner-managers of incorporated enterprises, employees with fixed-term contracts, workers in casual

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employment, ‘contractors’, subsistence workers and several others. These groups are not organised into a coherent classificatory framework, however, and the advice is not definitive about the treatment of some groups. There may, therefore, be a need to review the range of existing national practices and user requirements with respect to statistics on status in employment and other aspects of contractual arrangements, so as to identify ways in which either the existing ICSE could be modified, or other standard variables could be developed as a complement to Status in Employment, in order to better reflect contemporary realities and economic and social concerns.

Measuring decent work

37. Many of the uses of labour statistics in social analysis and all of the initiatives discussed above are integral to the ILO’s Decent Work Agenda. The idea of decent work brings together the goals of employment, social protection, social dialogue and rights at work in a consolidated vision which guides economic and social policies across the board. Decent work has been defined as “opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity”19 and emphasises the social as well as economic aspects of the World of work.

38. In 2002, the ILO proposed a core set of statistical indicators for measuring decent work. They cover the four goals of decent work mentioned above and relate to employment, earnings, hours worked, security of work, fair treatment in employment, safe work environment, social protection, social dialogue and workplace relations, and unacceptable work such as child and forced labour20.

39. During the same week as the UN Expert Group Meeting on the Scope and Content of Social Statistics, for which the present paper has been prepared, an ILO Tripartite Meeting of Experts will take place in Geneva to provide further detailed advice on measuring the dimensions of decent work in order to prepare comprehensive recommendations for consideration by the Governing Body of the ILO.

Conclusions

40. A number of points emerging from the above discussion on issues in and standards for labour statistics are particularly relevant to a debate on the scope and content of social statistics, and on the need for an ongoing group to consider international issues related to social statistics.

41. Firstly it is obvious that there can be no clear-cut boundary between social statistics and labour statistics. Indeed it could be argued that most (if not all) labour statistics are a sub-set of social statistics as well as being a sub-set of economic statistics. Clearly most statistics about work are within the scope of social statistics.

42. Secondly achieving international agreement on statistical standards is a complex and difficult process requiring time and resources. The work needs to be driven by a dedicated and well-resourced team. It requires the input of the right national and international experts, who are generally in high demand for other work. The process of adopting and endorsing international standards in a particular field needs to be clearly understood by stakeholders. The adoption of standards needs to be made by bodies that are sufficiently authoritative to commit national governments to use of the standards, but that

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also have sufficient technical competence to debate complex questions of social and economic measurement.

43. Thirdly, there is concern that the five yearly frequency of the ICLS is problematical when issues in the international infrastructure for statistics on the World of work need to be resolved promptly. The ILO is looking at options to address this concern. Since the option of increasing the frequency of meetings may be very expensive, other possibilities are also being considered. These might include asking the conference to elect a bureau or executive committee to make decisions on its behalf, or delegating responsibilities for specific tasks to Meetings of Experts, as was the case for updating ISCO. The relationships between, and the roles and responsibilities of, groups and arrangements established by the ICLS and the activities of any group with broad responsibility to report to the Statistical Commission on social statistics, would need to be considered and made clear.

44. Finally, internationally agreed definitions, frameworks, classifications and methods of measurement already exist in a number of areas that are within the scope of social statistics. In some cases specialised groups (known as ‘city groups’) have been set up by the UN Statistical Commission to deal with particular areas of social statistics. In many cases specialised international agencies such as the ILO, UNESCO and the World Health Organization have the prime responsibility within the UN system for particular topics in social statistics. These agencies generally have their own procedures for adoption and endorsement of statistical standards and related instruments.

45. What, therefore, might be the role of a more general international group with responsibility for social statistics? It could, perhaps, include establishing an overarching framework for social statistics, ensuring that the related elements in different areas of social statistics fit together harmoniously and provide a coherent statistical description of global society. This might involve identifying cross-cutting concepts and statistical units, such as the household and the family, and ensuring that these are defined consistently and appropriately across the range of international social datasets. It could also involve identifying gaps in or problems with the existing range of international statistical instruments and undertaking work or recommending the establishment of specialised working groups to address these concerns. In cases where the work that needs to be done is the responsibility of specialised international agencies, it might involve providing advice to the agency concerned and providing assistance with the work or in finding resources to complete the work.

46. The suggestion, in the presentation and draft programme of work circulated for this Expert Group Meeting, that there is a need in a contemporary international framework for social statistics to define ‘work’ as a major social concern, is in line with the thinking of many of those working in labour statistics within the ILO and elsewhere. According to this thinking, the notion of work needs to go beyond, but not replace, the concepts of employment and unemployment that have been the traditional focus of ‘labour statistics’. It would embrace all human productive activities, including the provision of services without pay for own consumption or for the consumption of others. Whatever direction is taken in the further development of statistics about work, it will be important to ensure that those concerned with social statistics, as well as labour statisticians and economists, have a voice in the debate.