

Visible more than ever: gender, Mexico's labor statistics and the XIX ICLS

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On October 2013, ILO adopted by means of the XIX International Conference of Labor Statisticians (ICLS) a new conceptual framework encompassing all modalities of work in a fashion that goes well beyond the System of National Accounts' production boundary. The main purpose of this paper is to show how much visibility women activities as well as their need of insertion in the labor market would be enhanced in Mexico once the new conceptual framework shades light upon the information supplied by ENOE (Mexico's current LFS). The analysis thus made goes both in terms of the mass of hours worked as well as on terms of the new set of indicators streaming from the new conceptual framework. The possibilities this allows, the challenges and new questions arising on respect to active and passive ways of expressing a need of inclusion in the labor markets are illustrated. Finally the ways to understand and implement the subjective approaches implicit in the composition of the new indicators is discussed, given the wide implications they have in the future design of Labor Force Surveys.

Introduction

The International Conference of Labor Statisticians (ICLS) embodies a tradition going back to 1924. As part of that tradition the XIX edition held in Geneva in the autumn of 2013 was one of the more awaited and thus more important in the last thirty years. The overemphasis in the unemployment rate as a focal indicator of underutilization of labor force had become a long source of malaise specially amongst developing countries' NSOs where structured modern labor markets are either not dominant nor in any case the only significant ones in the national landscape. Certainly, beneath the focal status of the unemployment rate underlay an implicit assumption that a country 1) is modern in a rather homogeneous way; 2) operates a universal coverage of a social security system (including unemployment benefits) so individuals calibrate both expectations and behavior accordingly to these facts as systematic job seekers once in a situation of not having a job.

Of course, the alternative to developing countries was to adopt the recommendations of previous ICLS on Informal Sector (XV ICLS) and Informal Employment (XVII ICLS). These approaches conceptually sound as they are however are not altogether easy to implement by the NSOs

nor exempted of additional costs to do so for most of them. In parallel the growing perception even amongst developed nations where aging population is more conspicuous than ever is that these demographic groups alongside some vulnerable ones not necessarily compete in the labor market as job seekers because they don't envision any realistic chance to succeed: thus not to actively seeking a job automatically means not needing to get one. This confluence of uneasiness on respect to the unemployment rate, which as a focal/headline indicator, prompts to misread it as the quantification of the need of decent jobs in the economy (rather than a humbler role of just identifying a specific behavior given that need) was the XIX ICLS' primary motivation to overhaul and update the conceptual frame: a framework ruling over NSOs labor statistics for decades.

Being this a primary motivation, ILO saw also not only a chance to rethink the construction of indicators or even the way of linking what was considered the economically active population with was not, all of this in a more encompassing approach. ILO understood as well what lay ahead as an opportunity to reframe the different roles population play in the social reproduction process, so not to equate work with labor market work; not to confound again a part with the whole. In short, to rethink the relation of labor statistics on respects to the System of National Accounts (SNA).

Both, the need to promote new indicators not restrained only to the labor force as well as the need of not narrowing the concept of work to market oriented work (the one taking place in a demand and supply setting) open up a huge opportunity to make visible what otherwise could be only done by blurring conceptual frontiers, that is, at the cost of introducing chaos for the sake of inclusion.

There is no doubt that in overcoming the inherent narrowness of the former framework in a conceptually orderly fashion, a gender perspective approach is a direct beneficiary, for the roles in the social reproduction processes can be placed on a more accurate and complete map. This allows comparisons between different modalities of work (for instance in terms of their contribution to the total mass of hours worked) and detect as well its possible combinations more accurately. The new indicators recommended by the XIX ICLS render visible in their need of work wide segments of the women population which role has been completely circumvented for household and caring chores preventing them from even trying to establish a link with the labor markets.

The purpose of these paper is not other than to show with data of the ENOE (the Mexican Labor Force Survey) how these analytical possibilities flesh out. This notwithstanding it is important also to mention not everything is a net gain here; that these new recommendations are not exempted of some paradoxes as well as others do not reflect an altogether clear understanding in dealing with the subjective side inherent of this new approach. In what follows we are going to talk all about this.

Work: the new conceptual framework

It is not an exaggeration to say that for decades the necessary coordination between labor statistics and national accounts was misunderstood as a wholesome dependency of the former on respect the latter. Everything that the SNA recognizes as work was labor and vice versa. This implies in turn that everybody working was operating in some sort of labor market. However the fourth revision of the SNA (2008) explicitly recognizes that the so called SNA's production boundary is somehow contained in a more general production boundary; in other words, what is beyond that boundary ought to be understood as production as well, rather than an undifferentiated- not relevant nothingness. The reconsideration reflects the strength and influence of the gender perspective. This "beyond" is where most activities essential to the social reproduction not mediated by market transactions can be placed, such as all the services generated by households for their own consumption (household chores) as well other services provided in benefit or assistance of other households or the community by means of volunteer work modalities.

In turn, it helps to clarify the relationships on what was laid within the SNA production boundary because in there still are some activities not mediated by market transactions such as subsistence agriculture and construction of dwellings for own use. The fact that they remain within the SNA's production boundary seems to bear on the fact this not market oriented activities generated goods rather than services, which in turn makes it easier to quantify their potential market value. However, the point here is that even within the "boundary" there is reconsideration on where the true realm of labor market is.

Diagram 1, shows how this expansion in the understanding of work allows in turn to specify where some labor market activities or work conditioned/orientated to market transactions are located, as it is any wage paid agreement as well as any independent work engaged in the production of goods or services for profit.

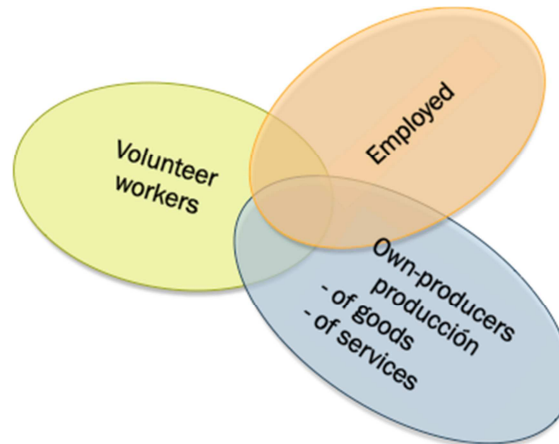
Diagram 1. Classification of work activities by form of work

Intended destination of production	For own final use		For use by others			
Forms of work	Own-use Production work		Employment (work for pay or profit)	Other work*	Volunteer work	
	of services	of goods			In market and non-market units	In households producing
			goods	services		
Relation to 2008 SNA			Within SNA production boundary			
	Inside SNA general production boundary					

* Includes compulsory work performed without pay for others, not covered in the draft resolution.

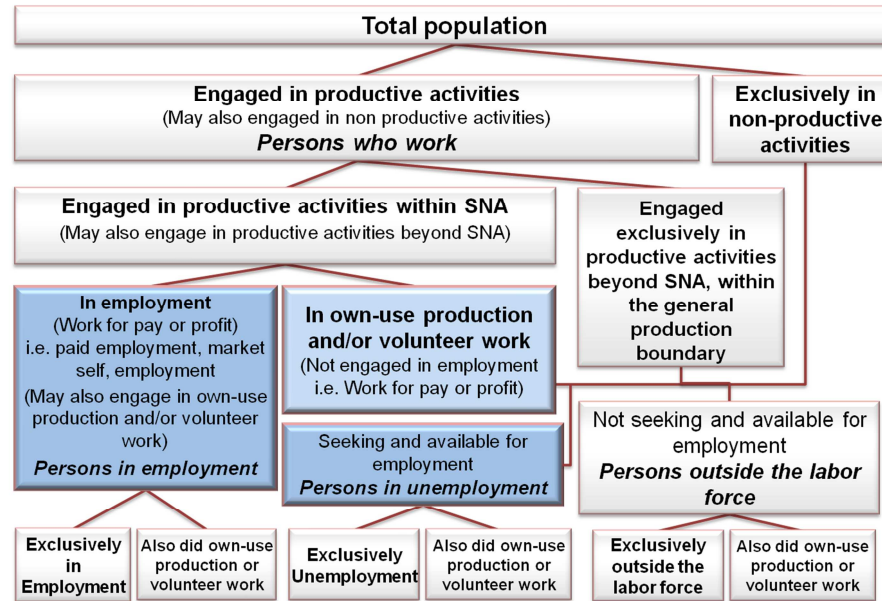
Each individual may combine or not these modalities of work...

Diagram 2. Participation in different forms of work



...so the first challenge is to classify working age population in terms of all this possible combinations...

Diagram 3. Revised classification of persons in the labor force framework



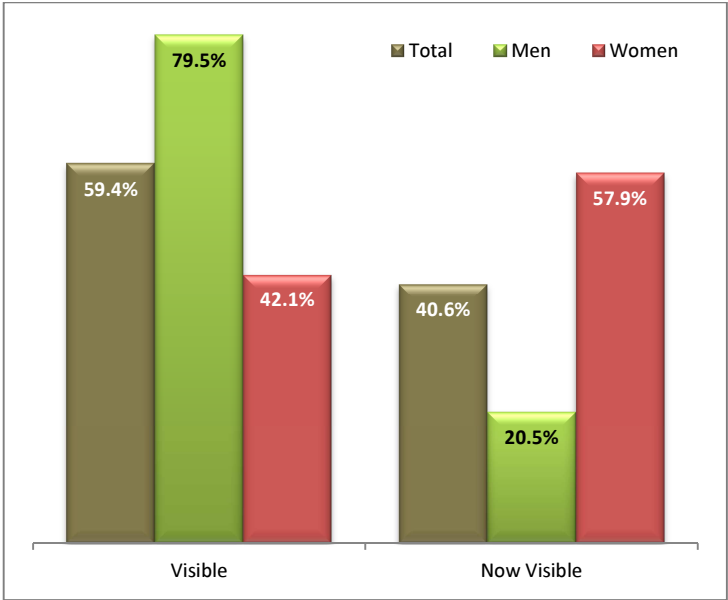
Summing up at this point it is essential to keep in mind ...

Concept	Is not any longer synonymous of...	Concept
Employment		Work
Not holding a job		Not working

Shedding light on Mexico's data

When applying this framework to data supplied by Mexico's LFS (ENOE), the first consequence is that about 40.6% of the working age population so far considered simply not part of the labor force (not economically active) and not much more than that, is now seen as part of the overarching process of social reproduction. Not surprisingly amongst women, the figure is bigger, so 57.9% previously defined in negative becomes under this light part of a continuum. Of course, this is not new to the gender approach. This type of analysis had be made before with ENOE's data which its design allows, but it is not the same to be circumscribed to the realm of gender studies than placed it up front in the same footing, side by side, with employment in the mainstream conceptual framework. No less important is that in doing so it does not contravene the latter concept, which from now on has to highlight market transactions as the key feature of its nature.

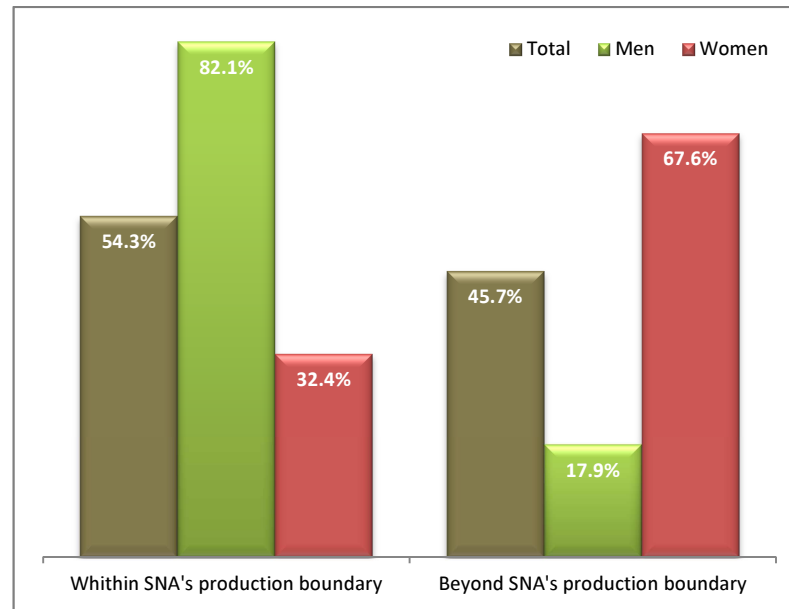
Graph 1. Working age population: contributors to the social reproduction processes within and beyond the SNA's boundary



The mass of hours associated to these individuals amount to 45.7% of the total in a given week, but the amount supplied by women taking place out of the sphere of national accounts signifies more than two thirds (67.6%) of their total contribution to the social reproduction

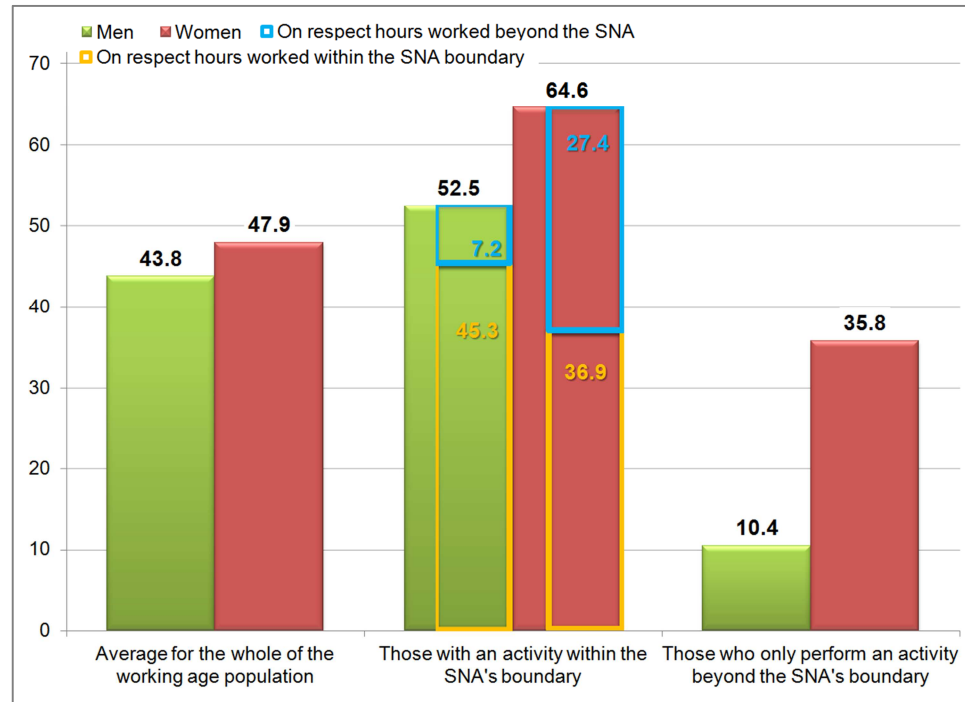
process. This contrasts with 17.9% in the case of men for whom the overwhelming contribution takes place within SNA's production boundary. One thing is to be aware of is that there is a division of labor within a society; another is to put on numbers to assess how deep it goes.

Graph 2. Mass of hours worked: shares within and beyond the SNA's boundary



No less important than taking to the fore what was beyond certain realm, is to shed light within that realm so to gauge in an encompassing way the whole burden of work each gender has to cope with. Taking for instance, the population already with a foot within the SNA's boundary it is possible to separate their different contributions to the social reproduction process. In average, a woman of that group dedicates 27.7 hours a week to provide services to her household's own consumption adding up this to her modality of supplying goods or services amenable to SNA's measuring methods which in average means another 36.9 hours; so the total per capita toll amounts to 64.6 hours a week. This in contrast to an average of 7.2 and 45.3 hours respectively for each work modality amongst men which add up to 52.5 hours. It might be arguable if the stress associated of work hours at home or bound to household duties is bigger, equal or less on respect to those supplied to altogether different economic units in a completely different setting, but whatever the case is it becomes clear anyway the gap and thus the differences of spare time available between sexes.

Graph 3. Per capita hours worked: working age population; population supplying goods or services within the SNA's and population just supplying services beyond SNA's boundary



The reader can track where all this data comes from looking at table 1 which shows absolute figures in Annex 1.

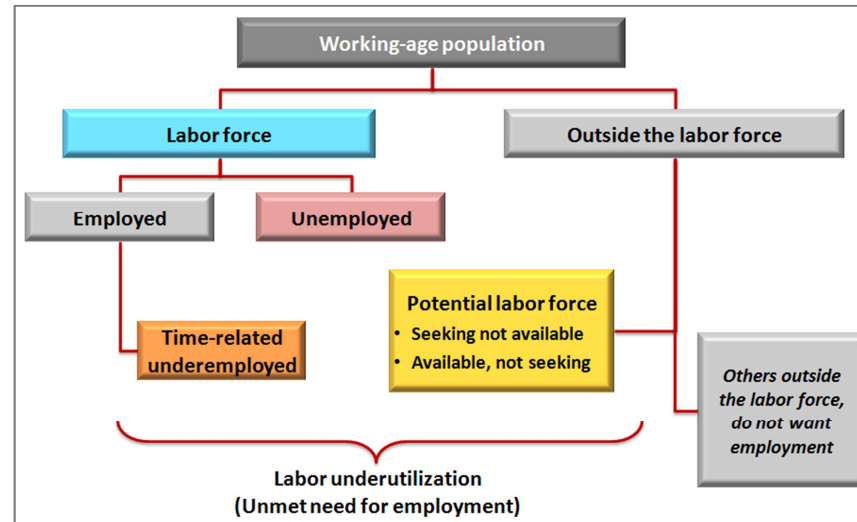
Labor underutilization rates.

As mentioned above the need to see beyond the realm of the traditional unemployment rate was one of the main motivations driving the XIX ICLS. In turn this implies a new way to understand those activities traditional classified as non-economically active at the time to have a more acute sense of whom -within what has been up to now known as economically active- are truly linked to market transactions and thus to labor markets.

The notion that labor underutilization is something broader in respect to what the unemployment rate grasps and at the same time there is a need to be more rigorous or precise on what the latter ought to refer, which creates a sequence of rates that from now on are called LU.

Diagram 4 shows which groups draw the attention in order to build up these indicators.

Diagram 4. Working age populations and focal subgroups in terms of labor underutilization.



The first focal situation encompasses those behaving as unemployed that is, those not working even an hour in the reference week, actively seeking for a job and being available to take it. Underemployment is seen as a complementary phenomenon, where individuals though performing some sort of market oriented activity they do so not reaching certain threshold of hours worked in that activity, so making them uneasy about that and willing to do something on this regard. Both situations are located within the realm of the Labor Force, which is that part of what was known as the economically active population who works for paid or profit. Thus what is excluded now from the concept of Labor Force are those exclusively engaged in production of goods for own use (not market oriented or not mediated by market transactions however within the SNA's boundary). This means that, for instance, those who do subsistence agriculture for a living are not any longer part of the labor force (the implications of this addressed latter on in this paper).

When Labor Force is the reference population (denominator) unemployment is the first situation to be compare with, so LU1 rate is actually the former unemployment rate with some adjustment in the denominator (Diagram 5). As less developed a country the more subsistence

agriculture it has, so the adjustment in the denominator amounts to nil in developed countries but surely not in the rest of the globe. In this regard, it is to be expected that the unemployment rate rises a little bit in direct proportion of the backwardness of a country or a region where this production modality is conspicuously present.

LU2 (Diagram 6) adds underemployment to unemployment to unify those with insufficient market oriented activity (or more precisely: market transaction conditioned activities) within labor force.

Diagram 5. LU1: Unemployment rate

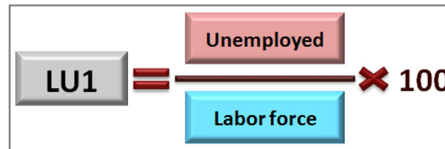
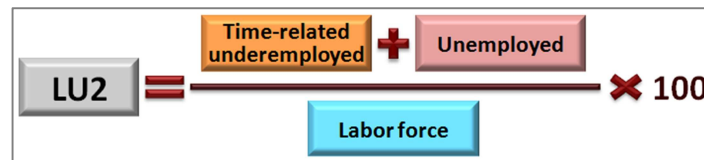


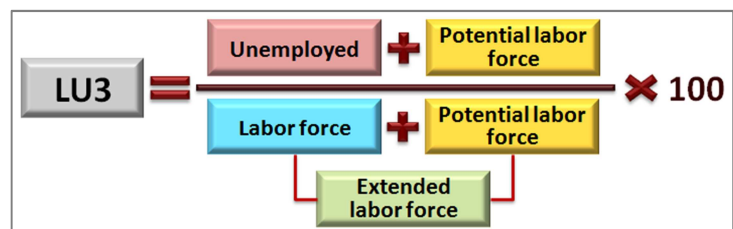
Diagram 6. LU2: Combined rate of time-related underemployment and unemployment



There are others situations where a person (as it is the case of those in unemployment) is not even supplying an hour of market-oriented activity however with a difference: they are not actively seeking a job even though they need to get one. The reasons why they are not actively job seekers could obey to many reasons: they are discouraged to compete in the labor markets (because their age or any other personal or social trait); because there are not functioning labor markets properly speaking in the locality they currently live in or simply because they gave up to get a job after many failed intents. Those individuals are regarded as a potential labor force: a population affected for want of jobs however not pressing the labor markets as unemployed and underemployed actually do. Indeed this is a group of interest and certainly a less conspicuous one: something here worth to make visible. The group regarded as Potential Labor Force is the working age population that may make presence in the labor markets if some circumstances surrounding them change.

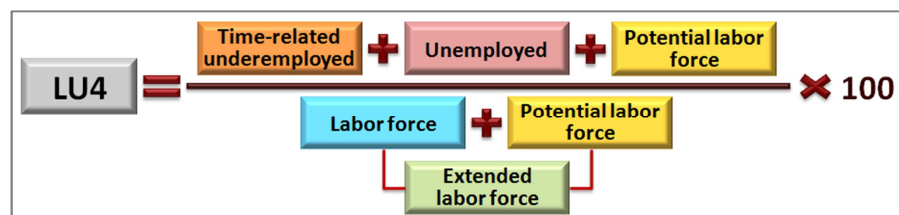
When unified in a single indicator those not supplying not even one labor market hour in the reference period while they want to do it then we got LU3 (Diagram 7). It is worth to note these situations referred now to a universe where labor force population as well as potential labor force are unified under an overarching concept called *Extended Labor Force*.

Diagram 7. LU3: Combined rate of unemployment and potential labor force



In unifying those unsatisfied with their level of labor market activity -either because they supply none or not so as much as they want to- LU4 (Diagram 8) aims to become in this context the all encompassing measure of labor underutilization or the most ambitious quantification of those with unmet needs of labor market jobs.

Diagram 8. LU4: Composite measure of labor underutilization



LU3 in Mexico's landscape: level of achievement of what was intended

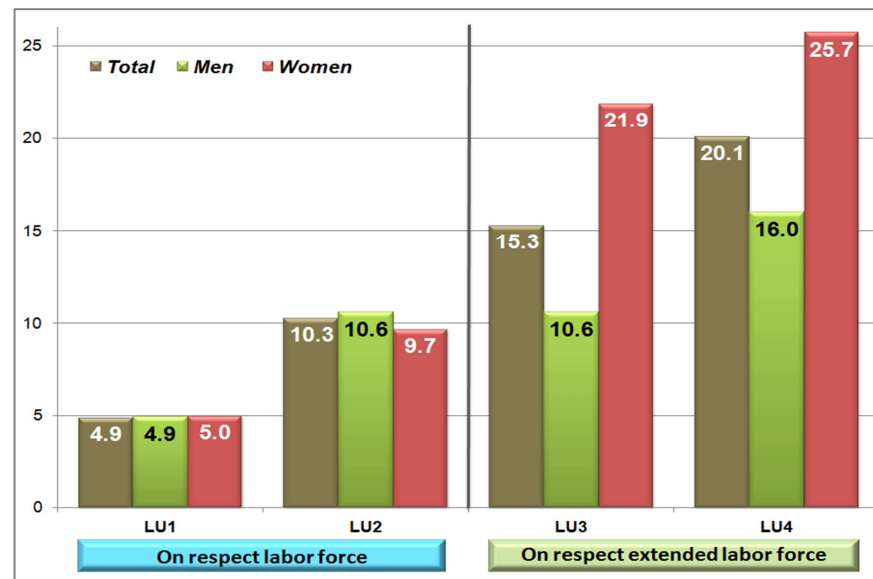
There is a well known paradox regarding the unemployment rate in Mexico. As it is the case with other developing countries (the case of India for instance) the unemployment rate level could be quite low compared to that of developed countries at the time the want of jobs or the labor deficits are bigger. This is mentioned because in developing countries unemployment quantifies a behavior with respect to that deficit not the deficit as such, meanwhile in developed countries that behavior and the gap measure match better. to the same extent that this paradox occurs between Mexico and the rest of the OECD countries, this takes place as well within Mexico's regions when compared the unemployment rates of those developed with respect to the less developed.

The thing is that the LU supposedly 1) may overcome this paradox because amongst other things 2) they make more visible women needs on respect labor markets. As we are going to see in this section if true the latter objective has been reached however the former one is not. To see this is better to go gradually.

Graph 4 shows that not only the progression of LUs increases conspicuously when going in progression from one LU to the next even though LU3 and LU4 refer to a wider denominator. No less clear is that if it is true in so far constrained to the labor force realm the next leap has no to do with making more visible women population; it occurs indeed once we expand the territory with the notion of potential labor force. The gap between what LUs register between men and women can be appreciated in LU4 but above all in LU3 where is more than twofold.

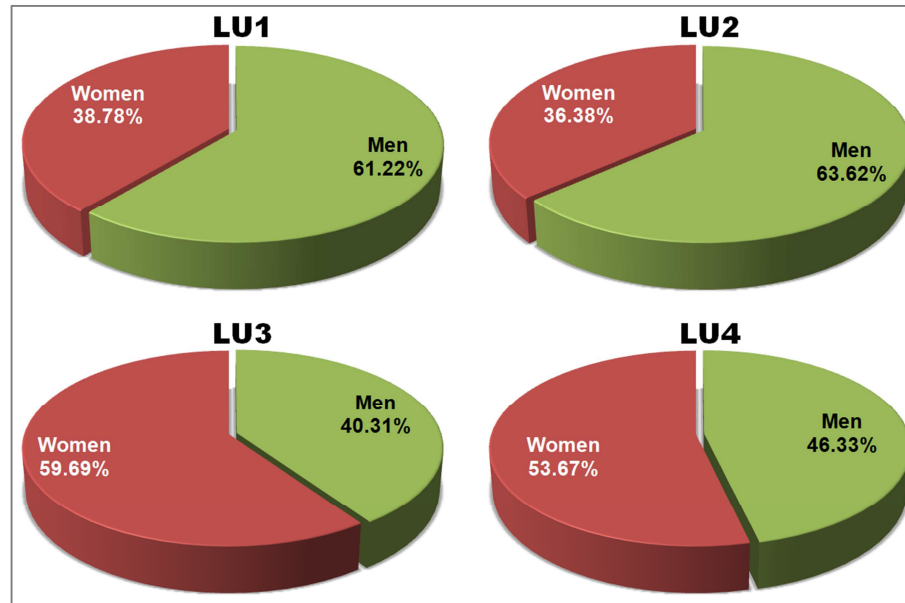
Graph 5 help us to see this in another way. With respect to unemployment and underemployment men represent between 61-64% of cases, however the share is almost reversed in LU3 cases as¹ in LU4 - which includes all the situations in the numerator- it is nearer to reach out gender equilibrium.

Graph 4. Labor Underutilization Rates (LUR): comparative of each level for total, men and women.



¹ The numerator of LU3 is the sum of those unemployed and those considered potential labor force. Taken the second group alone women represents more than two-thirds (68%) absolute figures can be consulted in Annex 2.

Graph 5. Shares of women and men in the numerator of each underutilization labor measure

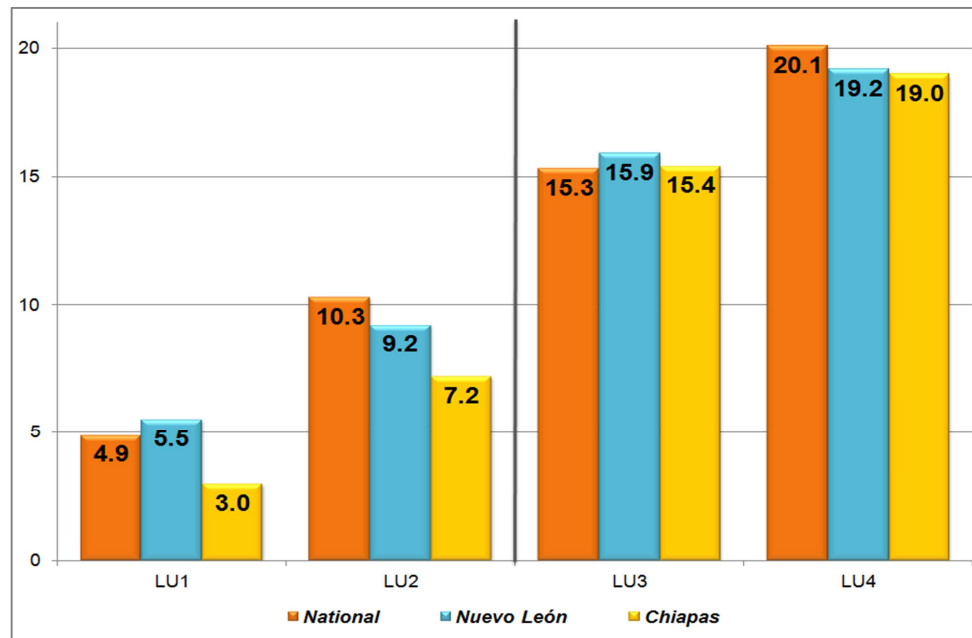


So far so good. But what happens when comparing developed regions with those not developed, does the paradox finally overcome? That is, the higher rates now reached correspond to the backward regions with higher poverty level?

In order to respond the question we are to compare LUs of Mexico's industrialized regions (Nuevo León) with those of a predominant rural one (Chiapas). Nuevo León State characterizes by being the seat of competitive corporations fully integrated to the global economy; its GDP per capita similar to the one of the Czech Republic. In the other hand, Chiapas is located in the southern part of the country in the borderline with Guatemala, sharing many features of the economy of neighboring Central American nations.

Graph 6 shows that if in LU1 and LU2 the rates of Nuevo León are bigger than those of Chiapas as expected; once taken on board the notion of potential labor force almost close the gap in LU3 and LU4, however not enough in order to give Chiapas bigger rates.

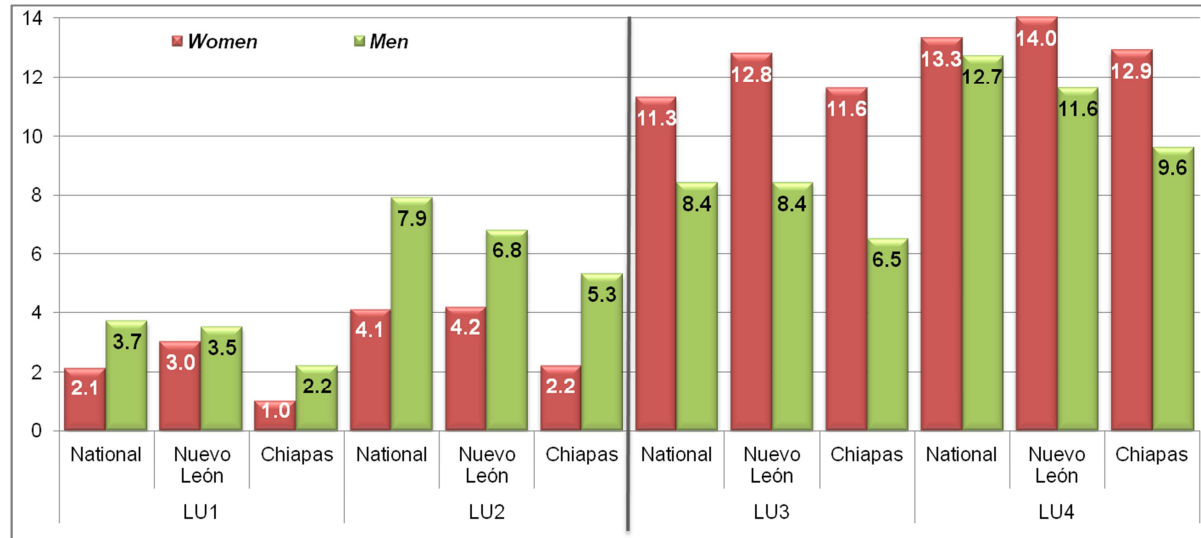
Graph 6. Labor underutilization rates: comparative of national levels with those corresponding to contrasting regions.



Calculating the share of women that each LU incorporate on respect their gender working population age, it can be appreciated in Graph 7 that with no exception LUs incorporate more women in Nuevo León than in Chiapas.

At this point there is no doubt more women in need of labor market activity have become visible on this regard. From an unemployment rate at national level (LU1) that make visible only 2.1% of total women in working age to a 13.3% by means of LU4. In absolute figures, we are moving from less than 1 m. to 6 m. It seems then that LU1 captures a population segment close linked to the economic cycle meanwhile LU3 and LU4 a kind of structural condition that may be less prone to respond in the short term evolution of the economy because the societal context involved in there.

Graph 7. Percentages on respect working age population corresponding to each indicator by sex.
Total and for contrasting regions



On XIX ICLS' drawbacks

However as it has been shown the paradox of higher rates in developed areas has not been overcome. This is a consequence of taking out of the picture subsistence agriculture (not market production of goods for own consumption). Those engaged in these activities being part of the SNA's production boundary are not any longer in the concept of labor force (they do not gravitate around markets so to speak) which makes them not feature in LU1 and LU2. Nor they take a natural place in the potential labor force and thus in LU3 and LU4: peasants do not tend to see themselves not working thus eager and available to have a work. In many cases, they have enough of it with an overextending effort all along a given week.

The XIX ICSL did not reflect in deep with regard to this situation: either subsistence agriculture is not to be equated with production of goods for own consumption (which makes them remain in the labor force thus being a ballast in the unemployment rate by pulling it downwards) or automatically be considered as a special case of potential labor force. Neither seems to be non-controversial nor an altogether elegant solution but the way as it remains now in a kind of conceptual limbo is the less satisfying of all.

Last but not least, there is another consideration to make regarding ICLS recommendations. All along the XIX ICLS there was an insistence in the availability condition of those in need of a job. The availability condition is understood as disposition to take a job soon with no personal impediments to do so. On respect both underemployed and those to be considered in the potential labor force, the resolution opts on operational terms by means of placing the respondent of a Labor Force Survey before a counterfactual situation where they have to decide if they would take a job offer made to them at that moment (paragraphs 43, 51 and 54). The risks to proceed in a Labor Force in this way are huge. One thing is to ask a person his/her reasons for not looking for a job recently in order to detect impediments to incorporate him/her in the labor market (as ENOE does) and quite another to face them with a hypothetical situation which could be misunderstood as a real offer. A subjective turn in Labor Force Surveys' ways, can alter the original setting intended to measure by adopting this sort of approach (the equivalent of a Heisenberg effect, in this case by inducing expectations or wishes). Besides, it is quite difficult to ask such a response to a person without specifying job conditions –remuneration, benefits, schedule, tasks required to perform, etc. This might be not a problem on respect actual job seekers because the job they are looking for is after all, real: surely it is not for those not seeking a job. What about if a person with no qualifications whatsoever has in mind a job with a remuneration level that implies qualifications when answering the question? Are a wish, a desire and a need the same thing?

This way to understand availability is not applicable to those cases of technical stoppage in a given industry or those affected in agriculture by climate conditions. They do not want another job right now; what they want is to turn to normality in the current one they hold, so there is a risk of not consider them as underemployed, for instance.

The subjective turn has another important implication. In practice, most LFS in the world rely on information provided in the household by a proxy respondent because the cost of directly contact a given person amounts to a logistic nightmare. Otherwise, the non-response rate would rise to levels that may compromise the statistical project. However, the answer demanded by means of a hypothetical job offer -more than any other kind of answer ever asked by a LFS- requires a direct respondent. A vicarious respondent could not tell in many cases if somebody else who has not been seeking for a job would take or not one right now.

Conclusions:

The XIX ICLS resolution 1 no doubt, makes visible within a coherent framework all types of work, their possible combinations and how the distinct segments of working age population fit with it. The results of using this framework with real data provided by Mexico's ENOE are unequivocal in this regard: population and time demand over each modalities of work can be both described and quantified.² It also shows with

² At this point, it is worth to add that if a LFS could identify all segments of population by type of work, it might be the case it does not capture the whole time demanded with the same precision and disaggregation as a Time-Use Survey does. However from a continuous LFS could be derived the indexes and the

certainty that most of the population now made visible by the framework and their sub-classifications are women, besides providing a good idea how much they contribute to the total mass of hours worked. The demands placed by the resolution by no means are not attainable nor out of reach for a mature LFS as the exercise with ENOE's data illustrates.

The ICLS resolution on indicator delivers as well in terms of making visible vulnerable population groups in need of labor market work despite not having a direct presence in the mechanisms confronting supply and demand. However, as ENOE data shows the paradox of lower indicators in less developed regions with respect to those developed ones has not altogether been overcome. How to deal with subsistence/peasant agriculture may demand further discussions and analysis and be more aware of the trade-offs involved in their possible ways of classifying them and with it, the corresponding effect on the new set of indicators.

If the conceptual framework **is sound there are not so some criteria it** promotes to identify population with a need to get a job (in the case of potential labor force) or that one who need to work more hours in the labor market (in the case of underemployed). It seems that their implications have not been fully understood and the risks it introduces (subjective turn). Surely, it is not the same to quantify a wishing population (that is a population hooked in a game of thinking in a hypothetical job offer) than a population in need to get a job; not the same to speak about their dreams than about their necessities. The exercise with ENOE shows clearly that it is possible to identify population that not expresses themselves in the labor markets but with a need to get a job by analyzing the reasons and motives they provide for not actively seeking one. On what we **currently obtain in building up the new set of indicators, we are certain; by modifying the current survey design so to introduce this hypothetical approach we will not.**

trends to update the information of the last TUS's round as if the latter plays the role of base or platform in terms of measuring absolute levels of time demands on population.

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Annex 1

Table 1. México: Populations and mass of hours worked associated accordingly to the new conceptual framework classification

Sex	Working age population (fifteen years old on)	(A) Working age population with hours in the reference week (A=B+J)	(B) Producing goods or services either within or beyond the SNA's boundary (B=D+H)	(C) Mass of total hours worked in a week (C=E+I)	(D) Population performing activities within the SNA's boundary	(E) Mass of total hours worked in a week (E=F+G)	(F) Mass of total hours worked in a week circumscribed only to the SNA's boundary	(G) Mass of total hours worked in a week circumscribed only to activities beyond the SNA's boundary	(H) Population performing activities only beyond the SNA's production boundary	(I) Mass of hours worked in a week	(J) WA population not producing goods or services within or without the SNA's boundary
Total	86 280 370	83 172 426	82 174 322	3 781 985 836	48 802 607	2 785 469 625	2 055 208 239	730 261 386	33 371 715	996 516 211	998 104
Men	40 935 115	38 738 767	38 028 458	1 667 476 391	30 230 651	1 586 119 399	1 369 795 345	216 324 054	7 797 807	81 356 992	710 309
Women	45 345 255	44 433 659	44 145 864	2 114 509 445	18 571 956	1 199 350 226	685 412 894	513 937 332	25 573 908	915 159 219	287 795

Source: INEGI. Encuesta Nacional de Ocupación y Empleo (ENOE), first quarter, 2014.

Annex 2

Table 1. Mexico and contrasting regions: population associated to labor underutilization rates

Region	Sex	Working age population (fifteen years old on)	Labor force	Employment	Time-related underemployment	Unemployment	Outside the labor force	Potential labor force (not seeking, however want and available)	Outside the labor force (not seeking, nor want, nor available)
National	Total	86 280 370	49 772 134	47 315 175	2 645 893	2 456 959	36 508 236	6 111 875	30 396 361
	Men	40 935 115	30 538 578	29 034 400	1 742 435	1 504 178	10 396 537	1 949 616	8 446 921
	Women	45 345 255	19 233 556	18 280 775	903 458	952 781	26 111 699	4 162 259	21 949 440
Nuevo León	Total	3 707 348	2 205 449	2 084 336	81 597	121 113	1 501 899	273 199	1 228 700
	Men	1 828 272	1 403 398	1 339 103	59 228	64 295	424 874	88 834	336 040
	Women	1 879 076	802 051	745 233	22 369	56 818	1 077 025	184 365	892 660
Chiapas	Total	3 380 740	1 750 206	1 697 205	72 459	53 001	1 630 534	255 313	1 375 221
	Men	1 634 982	1 229 633	1 193 692	50 434	35 941	405 349	70 046	335 303
	Women	1 745 758	520 573	503 513	22 025	17 060	1 225 185	185 267	1 039 918

Source: INEGI. Encuesta Nacional de Ocupación y Empleo (ENOE), first quarter, 2014.