



International
Labour Office

International training
compendium on

labour statistics

module

1

Statistics of
employment,
unemployment,
underemployment:
economically
active population

Bureau of Statistics
Policy Integration Department

International Training Compendium on Labour Statistics

Statistics of Employment, Unemployment, Underemployment: Economically Active Population

Bureau of Statistics
Policy Integration Department
International Labour Office

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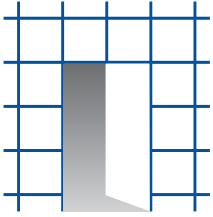
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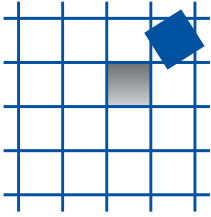


PREFACE

The development objectives for training in labour statistics of the ILO Bureau of Statistics are closely related to the Bureau's mandate. This is to assist countries to develop their own national systems for labour statistics through technical cooperation and other means, including the setting of international guidelines. In order to reinforce these efforts, a complementary programme of training in labour statistics is necessary.

Since 1990, the Bureau of Statistics has therefore built up its training capacity in labour statistics, in parallel with its technical cooperation and standard setting activities. One major training event is carried out each year and other courses, workshops or seminars are held in different countries or at the ILO Training Centre in Turin, Italy. Based on the particular recommendations of the International Conference of Labour Statisticians (ICLS, in 1993 and 1998) more seminars with a regional focus are taking place, to enable participants from similar areas, languages, etc. to share learning experiences in joint training programmes.

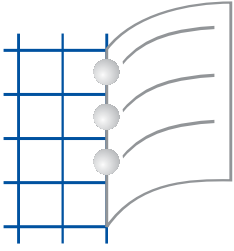
The training material in Module 1 is the result of work done by the ILO Bureau of Statistics to assist countries worldwide to develop their statistics of the economically active population. The material presented here is based on work published by the International Labour Office. Jaime Pujol, ILO International Training Centre provided pedagogical guidance. From the Bureau of Statistics persons who contributed are: Ralf Hussmanns, Adriana Mata-Greenwood and Farhad Mehran, former Bureau director. Sophia Lawrence was responsible for the production of the module.



ABSTRACT OF THE MODULE

The purpose of Module 1 *Statistics of Employment, Unemployment, Underemployment: Economically Active Population*, is to serve as a reference material to all those intending to train practitioners in the use and production of labour statistics referring in particular to statistics of the economically active population (EAP). The module includes a detailed presentation, with examples and practical exercises, of a) the purposes for measuring the EAP and b) all the topics related to the EAP (employment, unemployment, underemployment, currently active population and usually active population). The module may also be used for self-instruction by those who wish to upgrade their knowledge or performance in relation to the use, production and analysis of EAP statistics.

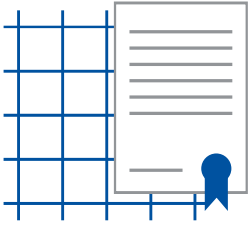
The module presents the internationally recommended guidelines concerning the concepts and definitions of EAP statistics. It shares the experience gained from applying them to measure the size and structure of the labour force in order to analyse, evaluate and monitor how an economy is performing and to implement policies and programmes for the labour market and its workers in countries.



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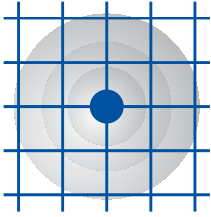
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PRE-REQUISITES

To successfully complete the study of this module, participants should have:

- professional knowledge of statistics (preferably labour or economic statistics) or equivalent experience;
- work experience or familiarity with national statistical offices, statistical departments of relevant government ministries or ministries of labour, planning and social affairs and other policy formulating bodies or applied research institutes in the field of labour, economics, trade unions or employers' associations;
- responsibility as statisticians, economists, technical managers, analysts or researchers carrying out technical work in, or who are significantly responsible for, the collection, production, analysis or use of labour statistics.



LEARNING OBJECTIVES

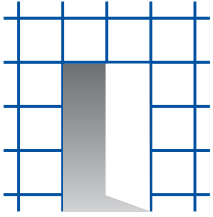
General objective

The principal objective of this module is to enhance participants' capacity to contribute to the meaningful development of statistics of the economically active population (EAP), employment, unemployment and underemployment, in their own national context. At the end of module 1, participants will have acquired a clear understanding of the concept and boundary of economic activity which is a fundamental requirement for the correct application, interpretation and use of the definitions of the economically active population and its component groups.

Specific objectives

After having carefully studied all sections of this training module, analysed all of the examples presented, worked out the practical assignments and consulted on the results with a specialist/trainer in this field, you will be able to:

- explain the main objectives and purposes of measuring the economically active population;
- define the notions of “market economic activity”, “non-market economic activity” and “non-economic activity” and identify their practical application in relationship to measuring the EAP;
- relate the concept of economically active population to total population and distinguish between the measures of “currently active” and “usually active” populations;
- identify the important definitional distinctions that allow for the total population to be divided into the three mutually exclusive and exhaustive categories of employment, unemployment and economic inactivity;
- apply the concepts of employment, underemployment, unemployment and their component definitions for the measurement of the EAP;
- classify case studies into specific economic activity statuses;
- analyse data sets of statistics of the economically active population.

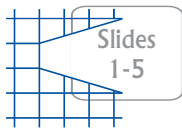


INTRODUCTION

Statistics of the economically active population, employment, unemployment and underemployment, serve a wide variety of purposes. Some of these purposes are to monitor the economic situation, to formulate and implement policies for decent work and human resources development, employment creation and poverty reduction, income support as well as other social programmes.

They provide measures of:

- (a) labour supply
- (b) labour demand (input)
- (c) the structure of employment
- (d) the extent to which the available labour time and human resources are actually utilised or not.



What is the meaning of the concept of “work” or “economic activity” when measuring the economically active population (EAP)? What do we mean by the conceptual framework for the EAP?

Who are the persons that make up the category of employed persons and the underemployed, a subgroup of the employed? Who are the unemployed who, together with the employed, form the EAP? What are the exact definitions to describe each of these three categories?

How does the EAP correspond to the economically inactive population and what is its relationship to the total population of a country?

The **international guidelines** adopted by the 13th International Conference of Labour Statisticians and promoted by the ILO set out the broad concepts and definitions for the elements related to economic activity. This module describes and explains in detail all of these topics.

There exist other, finer distinctions concerning the exact or appropriate statistical treatment of specific groups of workers, such as the following:

- within employment – self-employed persons; contributing (unpaid) family workers; casual or seasonal workers, etc.
- other cases of persons who may be on the borderline between different activity statuses or between labour force categories.

The interpretation of such cases as well as the application of the rules embedded in the measurement framework, based on current best practices in countries, are also presented for both producers and users of these labour statistics.

Such information is essential for **macro-economic and human resources development planning and policy formulation**. When collected at different

points in time, the data provide the basis for monitoring current trends and changes in the labour market and employment situation, which may be analysed in connection with other economic and social phenomena so as to evaluate macro-economic policies. The unemployment rate, in particular, is widely used as an overall indicator of the current performance of a nation's economy.

Statistics of the EAP **also serve as an essential base for the design and evaluation** of government programmes geared to employment creation, vocational training, income maintenance, poverty alleviation and other similar objectives.

The **measurement of the relationships between employment, income and other socio-economic characteristics** of the population provides information on the adequacy of employment of different sub-groups of the population, the income-generating capacity of different types of economic activities, and the number and characteristics of persons unable to ensure their economic well being on the basis of the employment opportunities available to them. Information on employment and income, disaggregated by branches of economic activity, occupations and socio-demographic characteristics, is needed for collective bargaining, for assessment of the social effects of structural adjustment policies on different subgroups of the population, and for the analysis of race, sex or age inequalities in work opportunities and participation and their changes over time.

It is important that statistics of the EAP are measured in such a way that they **identify and describe all workers and work situations in sufficient detail to allow relevant gender comparisons** to be made, not only to promote gender equality but also for improving the statistics themselves.

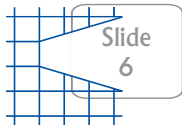
Module 1 proposes a complete theoretical background in the definitions of the main concepts involved in the collection, production, interpretation and use of statistics of the EAP and its main underpinning concepts: employment, unemployment and underemployment. These concepts are reinforced with practical exercises and case studies with worked-out solutions that put an emphasis on analytical work to stimulate discussion of the recommended guidelines and to share and compare best national practices.

PART 1

THE ECONOMICALLY ACTIVE POPULATION

The conceptual framework

According to the international standards,



The **economically active population** comprises all persons of either sex who furnish the supply of labour for the production of economic goods and services, as defined by the System of National Accounts (SNA, 1993), during a specified time-reference period.

Thus, persons are to be considered as economically active if (and only if) they **contribute or are available to contribute to the production of goods and services** falling within the SNA production boundary.

The concept of economic activity¹ for the measurement of the economically active population is defined in terms of...

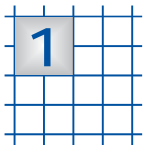
...the production of goods and services as set forth by the System of National Accounts (SNA).

The use of a definition of economic activity that is based on the SNA and its production boundary serves to ensure that the activity concepts of employment statistics and production statistics are consistent. This facilitates the joint analysis of these two bodies of statistics.

The concept and boundary of economic activity

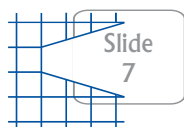
A clear understanding of the concept and boundary of economic activity is a fundamental requirement for the correct application of the definitions of the economically active population, employment, underemployment and unemployment in labour force surveys.

¹ Adopted by the Thirteenth International Conference of Labour Statisticians (ICLS, 1982)



The exact boundary between economic and non-economic activities is a matter of convention, but unless a precise dividing line is drawn, the statistical treatment of many situations encountered in practice remains ambiguous and will raise questions about the reliability of the resulting statistics.

According to the SNA 1993, the production of goods and services comprises:



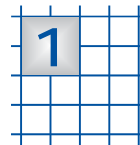
- (a) Goods and services normally intended for sale on the market at a price that is designed to cover their costs of production;
- (b) other goods and services which are not normally sold on the market at a price intended to cover their cost of production, such as government services and private non-profit services to households, paid domestic services rendered by one household to another and other items;
- (c) specified types of goods for own final consumption or gross fixed capital formation for own use.

- Activities under (a) are designated as **market economic activities** or **market production**.
- Activities under (b) and (c) are designated as **non-market economic activities** or **non-market production**.
- The aggregate of activities (a), (b) and (c) constitutes the scope of economic activity for the measurement of the economically active population.
- All other activities are called **non-economic activities**.

SNA market economic activities

Both market production and non-market production are defined in terms of outputs or the end use of the product, rather than on the basis of the paid or unpaid nature of the production. However, **market activities typically involve some form of remuneration** to those who participate in them.

Such remuneration may be in the form of **pay or profit**.

**Pay includes:**

- cash payments (e.g. wages or salaries at time or piece rates, fees or tips, bonuses or gratuities, etc.), *as well as*
- **payments-in-kind**, whether they are received in the same period where the work is done or not. Payment-in-kind may be in the form of food, fuel, housing or other goods and services. Payment-in-kind as the sole means of remuneration is not uncommon in some countries, e.g. for agricultural workers receiving a share of the harvest or for apprentices and trainees working in exchange for board and lodging.

Profit refers to:

- the remuneration for activities performed by persons who operate their own farm, business enterprise or service undertaking with or without hired employees.
- the activities of family members undertaken in connection with the operation of a household-owned enterprise producing for the market, even though these persons typically work for family gain and do not receive any direct payment for the work done.

An activity may be undertaken for profit even if currently no profit is made during the reference period of the survey.

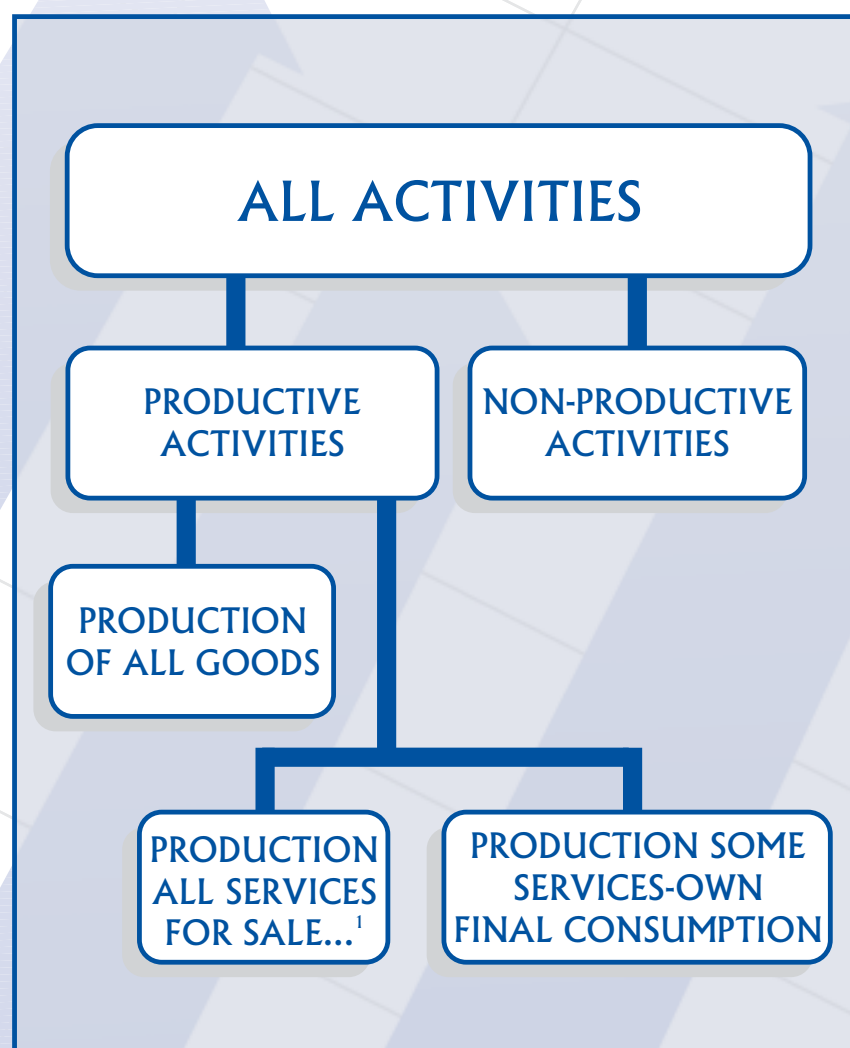
Market activities include also work performed for productive purposes on the basis of an exchange of labour arrangement between households and the production of goods or services for barter among households, even when no cash payment is received.

Figure 1a on the following page shows the scope of the production boundary for measuring national production and employment.

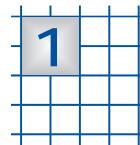
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Figure 1a

PRODUCTION BOUNDARY (Measuring national production and employment)



¹ Sale, barter or payments in kind.



SNA non-market economic activities

The rationale for the inclusion of certain types of non-market production in the present SNA definition and the exclusion of others is suggested by the adoption of a criterion of significance, meaning the following:

- Is the amount produced for own final use quantitatively important in relation to the total supply of that good or service in the country; *and*
- Do close market parallels frequently exist (i.e. identical or very similar goods and services are usually also available on the market).

Non-market economic activities **include** the following:

- **Production of agricultural/primary products** (e.g. milk, cereals, fruit, cotton, wood) for own consumption and their subsequent storage;
- **Processing of primary products** to make such goods as butter, flour, wine, cloth or furniture for their own use, whether or not they sell any of these products on the market;
- **Production and processing for own consumption of other goods;**
- **Production for own consumption of domestic and personal services** by households employing paid domestic workers;
- **Production for own consumption of housing services** by owner-occupiers;
- **Production of, and major repairs or improvements to, fixed assets for own use**, such as own-account construction of dwellings, farm buildings, roads, tools and similar items which have an expected life or use of one year or more.²

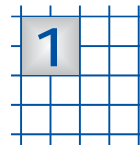
² The rent of owner-occupied dwellings represents an imputed monetary value rather than an activity. This item, therefore, has no relevance for employment statistics.

Table 1

Examples of non-market activities included in the present SNA production boundary

Included ³	Excluded
Growing or gathering field crops, fruits, vegetables	Cleaning, decorating and maintaining, dwelling including small repairs
Producing eggs, milk and other food	
Hunting animals and birds	Cleaning household durables, vehicles or other goods
Catching fish, crabs and shellfish	
Cutting firewood and building poles	Repairing household durables, vehicles or other goods
Collecting thatching and weaving materials	
Burning charcoal	Preparing and serving meals
Mining slate	
Cutting peat	Caring for, training and instructing children
Fetching and carrying water	
Threshing and milling grain	Caring for the sick, infirm or elderly people
Making butter, ghee and cheese	
Slaughtering livestock	Transporting household members
Curing hides and skins	
Preserving meat and fish	Transporting household goods
Making beer, wine and spirits	
Crushing oil seeds	
Weaving baskets, mats, textiles	
Making clay pots and plates, furniture	
Dressmaking and tailoring	
Handicrafts made from non-primary products	
Constructing dwellings, farm buildings	
Building boats and canoes	
Clearing land for cultivation	

³ These activities are included when the amount of a good produced for own final use is quantitatively important in relation to the total supply of that good in a country.
Source: Based on System of National Accounts, 1993.



The production of services for own final use by households, except as indicated above, is excluded. Some “service-like” activities are, however, included within the production boundary, such as water carrying because it is regarded as part of the supply of water.

Throughout the world, the production and processing of primary products of agriculture, hunting, forestry, fishing, mining and quarrying for own use represent a major part of consumption for many persons and families.

Similarly, in a number of countries the construction of houses, wells and other items to be considered as investment goods is undertaken, to a significant extent, on an own-account basis.

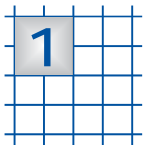
Furthermore, since a shift may take place from production for own-consumption to market production as economic development proceeds or prices and incomes change, it is essential to account for both types of activities. This is in order to obtain a comparable measure of the economically active population at different periods of time or circumstances or for different countries.

Other practical considerations are involved in the delineation of the SNA production boundary. In order to cover market production completely, it is necessary to include some non-market production as well. This is in practice because it is often impossible to measure the market component separately, when the same persons are engaged in both types of production. A similar argument applies concerning the inclusion of processing of primary products for own consumption. This cannot be separated from the production of such products for sale, when carried out by the same households.

Non-economic activities

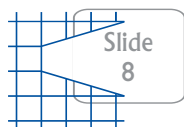
The concept of economic activity for the measurement of the economically active population **excludes**:

- Production for own final use by households of goods that are **not quantitatively important** in relation to the total supply of those items;
- Current repairs and maintenance of constructions, etc. carried out **by households for themselves** (of a type normally incumbent on tenants);
- **Volunteer services** rendered to the community or private non-profit organisations;
- **Domestic or personal services provided by unpaid household members**, including activities such as teaching and nursing of own children, cooking food and washing clothes for one’s own household, etc.



One of the problems raised in the revision of the SNA definition of production was an implied gender bias because such domestic activities at present fall outside the boundary of economic activity. Since women typically spend more time than men providing services to others within their immediate family, a smaller fraction of their contributions to society as a whole is valued.⁴ This does not mean, however, that these activities should be excluded from statistical measurement. It is now widely acknowledged that women provide a major contribution to the welfare of populations and to overall development of countries. In fact, the 1982 international guidelines on the economically active population contain a provision to identify persons engaged in unpaid community and volunteer services and other persons engaged in activities which fall outside the boundary of economic activities, separately among the population not economically active.

Non-productive activities



Some activities are both non-productive and non-economic.

Examples:

- Basic human activities such as eating, sleeping
- Purely natural processes (fish in the sea), etc.

Figure 1b on the following page shows the scope of economic activities within the SNA production boundary.

⁴ OECD, ILO, IMF, CIS STAT, 2002

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Figure 1b

CONCEPT OF ECONOMIC ACTIVITY

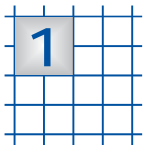
in terms of the SNA production boundary (Productive Activities)

Economic activities (activities included in the SNA production boundary)			Non-economic activities		
Production of goods or services (intended to be) supplied to other units ¹		Production of goods for own final use ²	Production of services for own final consumption		
Goods or services sold at economically significant prices, bartered or used for payments in kind	Goods or services provided free, or at prices not economically significant, by government units or non-profit institutions			Housing services produced by owner-occupiers of dwellings ³	Domestic or personal services produced by employing <u>paid</u> domestic staff	Domestic or personal services provided by unpaid household members
Market production			Non-market production		

¹ Including the production of goods or services used up in the process of producing such goods or services (intermediate inputs).

² Own final consumption or gross fixed capital formation, only if the amount of a good produced for own final use is quantitatively important in relation to the total supply of that good in a country.

³ No labour inputs involved.



Age limits for the economically active population

To determine the scope of this population with respect to age coverage, some of the main considerations in the choice of a minimum (as well as a maximum) age limit for defining the EAP are based on the extent and intensity of the selected age groups' participation in economic activities. Young people below a certain age are either too young to be physically able to work or due to national labour legislation or compulsory schooling, not allowed to work. It may not be meaningful to include the elderly above a certain age if they generally exercise little or no economic activity.

Minimum age limit

The international guidelines refer to a minimum age limit for measurement of the EAP although no value is specified. In countries where school leaving or minimum age laws for admission to employment are widely enforced, the specified age may serve as the basis for determining the lower age limit for measurement of the EAP. Whatever minimum age limit is adopted, information concerning the sometimes substantial number of children below the cut off involved in economic activity may be of particular interest and may be the object of specific or supplementary data collection exercises, such as child labour surveys.

Maximum age limit

Although the international guidelines do not refer to a maximum age limit, in addition to specifying a minimum age limit, some countries also specify an upper age limit, above which persons are excluded from the count of the EAP. This practice is more prevalent in some industrialised countries where the elderly benefit from sufficient social security coverage to make them unlikely to contribute to the labour market. (ILO, 1990.)

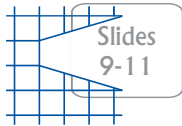
PART 2

THE CURRENTLY ACTIVE POPULATION

The ILO guidelines distinguish **two measures** of the economically active population:

- (a) the **currently active population (or labour force)**, measured in relation to a short reference period such as one week or one day, *and*
- (b) the **usually active population**, measured in relation to a long reference period such as a year.

Definition



The currently active population, or the **labour force**, comprises all persons above a specified minimum age who, during a specified brief period of one day or one week, fulfil the requirements for inclusion among the employed or the unemployed.

The currently active population is the most widely used measure of the economically active population. Being based on a short reference period, it is used for measuring the current employment and unemployment situation of the economy and the current employment characteristics of the population. When measurement is repeated at sufficiently frequent intervals, current changes over time can be monitored. Its measurement is based on the labour force framework.

Labour force framework

The essential feature of the labour force framework is that individuals are classified according to their activities during a specified short reference period by using a set of priority rules. The result is a classification of the population into...

...three mutually exclusive and exhaustive categories:

- employed,
- unemployed, *and*
- not in the labour force (or not currently active).

The first two categories make up the currently active population (or labour force), which gives a measure of the number of persons furnishing the supply of labour at a given moment in time.

Priority rules

To ensure that each person is classified into one (and only one) of the three basic categories of the framework, the following **set of priority rules** is adopted:

- The first step consists of identifying among the persons above the specified minimum age those who, during the specified short reference period, were either at work or temporarily absent from work (the “**employed**” category).
- The next step is to identify among the remaining persons those who were seeking and/or available for work (the “**unemployed**” category).
- The third category (persons not in the labour force or “**not currently active**”) then falls out residually. Persons below the specified minimum age are added to the “population not currently active”.

In this scheme, **precedence is given to employment over unemployment and to unemployment over economic inactivity.**

Examples:

- A person who is both working and actively seeking work is classified as employed.
- A student who is attending school but also actively seeking work is classified as unemployed, if currently available for work.

Two conclusions of the priority rules are that:

- employment takes precedence over other activities, regardless of the amount of time devoted to it during the reference period, which in extreme cases may be only one hour, *and*
- the concept of unemployment is therefore limited to a situation of 'total lack of work'.

The activity principle

Another characteristic of the labour force framework is that a person's labour force status is determined on the basis of what the person was actually doing during the specified reference period.

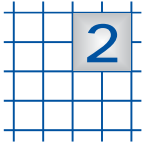
The purpose of the activity principle is to make measurement of the labour force as objective as possible. Thus only persons who were engaged in an economic activity or who were seeking and/or available for such an activity are to be considered for inclusion into the labour force.

There are a few exceptions to this activity principle regarding employed persons temporarily absent from work or unemployed persons waiting to start a specific job (these exceptions are referred to in the following sections on Employment and Unemployment).

The currently active population measurement provides a snapshot picture of the economically active population at a given point of time.

In situations where there is a stable pattern of employment throughout the year, with little or no seasonal variations and relatively small movements into and out of the labour force or variations of its main components, a snapshot picture is probably sufficient to provide an adequate representation of the employment situation for the whole year.

However, where significant seasonal patterns of activities or substantial labour force movements exist, the employment picture obtained for one short reference period may not be representative of other periods. In such situations, measurement should be made over a longer period of time, either by repeating or staggering the current activity measurement so as to cover the desired longer period, or by using the longer period itself as the measurement reference period.



Indicators

When presenting data on the currently active population, it may be useful to calculate:

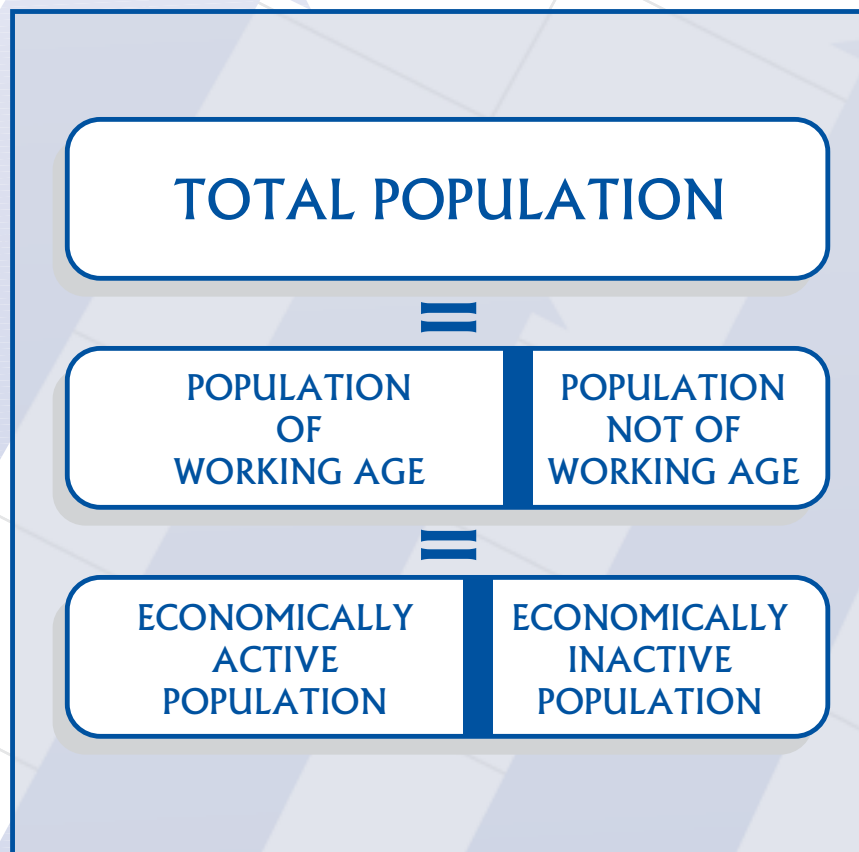
- the **current activity rate** as the ratio between the currently active population and the total population;
- the **rate of labour force participation** as the ratio of the currently active population (or labour force) to the working age population.

The working age population is the population above a certain age, prescribed for the measurement of economic characteristics. The labour force participation rate is an overall indicator of the level of labour market activity. Its breakdown by sex and age group gives a profile of the distribution of the currently active population in a country. It provides important information for studying the factors that determine the size and composition of a country's human resources and to make projections of the future supply of labour.

Figure 1c, on the following page, shows the links between the economically active population (EAP) and the total population.

Figure 1c

LINK BETWEEN THE TOTAL POPULATION AND THE ACTIVE POPULATION



PART 3

EMPLOYMENT STATISTICS

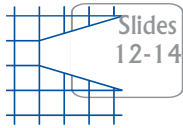
Definition of employment

All persons who during the reference period performed some work for wage or salary, or profit or family gain, in cash or in kind.

The international definition of employment⁵, formulated in terms of the labour force framework with respect to a short reference period distinguishes between:

- paid employment (including apprentices and members of the armed forces) *and*
- self-employment (including members of producers' co-operatives, unpaid family workers and persons engaged in non-market production).

It provides separate criteria for the measurement of these two types of employment.



According to this definition, ...

...the category "employed" comprise all persons above the age specified for measuring the economically active population (e.g. 15 years) who, during a specified short period of either one week or one day, were in the following subcategories:

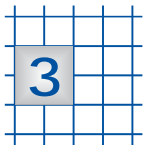
Paid employment:

- (a) at work: persons who, during the reference period, performed some work for wage or salary, in cash or in kind;
- (b) with a job but not at work: persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job;

Self-employment:

- (a) at work: persons who, during the reference period, performed some work for profit or family gain, in cash or in kind;

⁵ ILO Guidelines (1982)

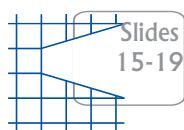


(b) with an enterprise but not at work: persons with an enterprise (which may be a business enterprise, a farm or a service undertaking) who were temporarily not at work during the reference period for any specific reason.

...For operational purposes, the notion of “some work” may be interpreted as work for at least one hour.

The concept of work for the measurement of employment corresponds to the concept of economic activity derived from the United Nations System of National Accounts (SNA). This means that the notion of “work for pay, profit or family gain” in the definition of employment should be interpreted as any activity falling within the SNA production boundary (see figures 1a-c).

Temporary absence from work



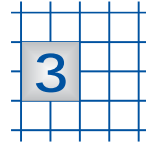
The ILO Guidelines on employment include among the employed certain persons who were not at work during the reference period.

These are persons who were temporarily absent from work for reasons such as illness or injury, holiday or vacation, strike or lock-out, educational or training leave, maternity or parental leave, temporary reduction in economic activity, temporary disorganisation or suspension of work due to bad weather, mechanical or electrical breakdown, shortage of raw materials or fuels, etc., or other temporary absence with or without leave.

In general, the notion of temporary absence from work refers to situations in which a period of work is interrupted by a period of absence. This implies that...

...persons should only be considered as temporarily absent from work (**and thus as employed**) if they have already worked at their present activity and are expected to return to their work after the period of absence.

However, there could be exceptional cases where persons might be considered as being temporarily absent from work even though they have not yet worked in their job, e.g. persons who happen to be sick at the day when they are to start a new job.



Temporary absence from paid employment

The international definition of employment specifies certain criteria for assessing temporary absence from work that differ between paid employment and self-employment.

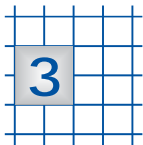
In the case of paid employment, the criteria are based on the notion of “**formal job attachment**”, to be determined in the light of national circumstances according to one or more of the following criteria:

1. the continued receipt of wage or salary;
2. an assurance of return to work following the end of the contingency, or an agreement as to the date of return, *and*
3. the elapsed duration of absence from the job, which may be that duration for which workers can receive compensation benefits without obligations to accept other jobs.

NB: This third criterion implies that the absence should be of a fairly short duration to be considered temporary. As these international definitions did not specify any precise time limits that meaningfully apply to all types of absences, extended absences were later discussed by the 16th International Conference of Labour Statisticians in 1998.

Further *Guidelines concerning the treatment in employment and unemployment statistics of persons on extended absences from work (1998)* recommended classification into the employment category of the following specific cases, dependant on the assurance of a return to work, and only during a short period of absence:

1. *Employees on maternity leave* (plus: in receipt of part or all wage or salary, from employer or equivalent from another source, during a 1-6 months **compulsory** maternity period);
2. *Persons on parental leave* (plus: leave should be short, 1-3 months, **preceded by** a period of employment or maternity leave);
3. *Employees on self-initiated, unpaid leave* (plus: an assurance of work with the **same employer**, during not more than 3 months);



4. *Employees on paid leave initiated by the employer or the administration* (plus: an assurance of work with the **same employer**, in receipt of significant part or all wage or salary);
5. *Persons on unpaid leave initiated by the employer or the administration* (plus: agreed **date of return** to work, during not more than 3 months);
6. *Persons on educational or training leave* (plus: in receipt of significant part or all wage or salary **or if not**, if during not more than 1-3 months);
7. *Seasonal workers not at work during the off-season* (plus: an assurance of work with the **same employer**, in receipt of significant part or all wage or salary during the off-season).

Borderline situations

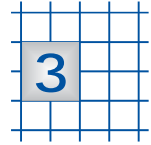
Borderline situations regarding absence from work may occur with respect to:

- persons temporarily laid off (i.e. persons whose contract of employment or whose activity has been suspended by the employer for a specified or unspecified period). They should be considered as temporarily absent from work and classified as employed only if they maintain a formal job attachment.
- persons laid off without formal job attachment should be classified as unemployed or not economically active, depending on their job search activity and current availability for work.
- non-regular employees, such as casual workers working on a daily or weekly basis for an employer, without a formal job attachment and, when not at work during the reference day or week, should not be classified as employed.
- other non-regular employees, such as seasonal workers, should be classified as employed when not at work, if they have a formal job attachment during the reference period.

Temporary absence from self-employment

Given the large diversity in working patterns of self-employed persons, the notion of temporary absence from self-employment is less elaborate than that for paid employment.

A corollary to the criterion of formal attachment for paid workers does not exist in the case of self-employed persons. In practice,...



...the decision as to whether or not a self-employed person is to be considered absent from work (and therefore as employed) should be **based on the continued existence of the enterprise** during the absence of its operator.

The decision as to whether or not the absence is to be considered temporary can be based on its duration, to be determined according to national circumstances and in light of international guidelines.

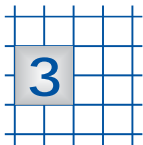
Casual own-account workers

For purposes of temporary absence from self-employment, casual own-account workers who are persons operating by themselves, should not be considered as “with an enterprise but not at work”, when away from such operations. *For example*, with street shoe-shine boys or itinerant newspaper vendors, it may be assumed that their “enterprise” does not continue to exist when they are not in operation, i.e. not at work. They should therefore not be classified as employed if absent during the short reference period.

Contributing family workers

(Previously referred to as “unpaid family workers” – see under Treatment below, for the definition.)

Contributing family workers participate in the activities of a family enterprise. They are not considered to have or operate an enterprise of their own. Accordingly, for purposes of temporary absence from self-employment, they cannot be regarded as “with an enterprise but not at work”. Therefore, contributing family workers not at work should not be included among the employed. They should be classified as unemployed or not economically active depending on their search activities and availability for work during the reference period.



Workers engaged in seasonal activities

Regarding employers and own-account workers engaged in **seasonal activities**, one may assume that **during the busy season** the enterprise itself continues to exist when the operator is absent. In this case the operator should be classified as employed when temporarily absent from work.

During the off-season, however, **one cannot always assume that an enterprise continues to exist**. For example, enterprises like kiosks selling fruits, ice cream shops or beach restaurants are generally not in operation during the off-season. Therefore the operators of such enterprises should not be classified as employed when they are not at work during the off-season.

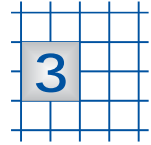
There are, however, other **enterprises which continue to exist** during the off-season, e.g. farms which are **operated all year round though the bulk of their activities are carried out seasonally**. In such cases, a self-employed person not at work during the off-season could be classified as employed (with an enterprise but not at work) provided the duration of absence from work falls within a short time limit.

Treatment in employment of particular groups of workers



The ILO guidelines refer explicitly to some particular groups of workers to be included among the employed: contributing family workers at work, persons engaged in the production of goods and some services for own and household consumption, paid apprentices, working students and homemakers, and members of the armed forces.

Contributing family workers are persons working without pay in an economic enterprise operated by a related person living in the same household. Where it is customary for young persons, in particular, to work without pay in an economic enterprise operated by a related person who does not live in the same household, the requirement of “living in the same household” may be eliminated (UN 1980). Such persons are to be considered as employed irrespective of the number of hours worked during the reference period, the same as for all other categories of workers. Referring to countries that, for special reasons, prefer to set a minimum time criterion for the inclusion of contributing family workers among the employed, the guidelines specify that they should identify and classify separately those who worked less than the prescribed minimum time.



Persons engaged in non-market production are another category of unpaid workers to be considered for inclusion among the employed. These are persons engaged in the production of goods and services for own and household consumption that fall into the production boundary of the SNA. However, these persons should only be considered employed (in self-employment) if such production comprises an **important contribution** to the total consumption of the household, in conformity with the practice in many countries of excluding negligible non-market economic activities from statistics of national accounts.

The “important contribution” provision serves to exclude from the economically active population persons who may be, for example, growing some vegetables in their backyards but whose subsistence does not significantly depend on it.

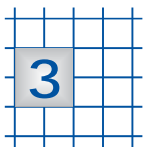
Apprentices are those who work in an enterprise operated by a related person (living in the same household, who when they receive pay, in cash or in kind, should be considered as in paid employment. They should be classified as employed “at work” or “not at work”, on the same basis as other persons in paid employment.

For those working in an enterprise not operated by a related person (not in the same household) their classification into employment depends on whether they are contributing to the production of good and services. If such is the case, they are to be classified as “at work”, or “not at work” where there is a formal job attachment.

Regarding apprentices who are not paid, appropriate statistical treatment was recommended by the 14th International Conference of Labour Statisticians in 1987: unpaid apprentices, at work in an enterprise operated by a related person (living in the same household), are employed.

Trainees. The appropriate statistical treatment should be determined on a scheme-by-scheme basis. In principle, trainees can be classified as employed if their activity can be considered as work or if they have a formal job attachment. When training takes place within the context of an enterprise, it can be assumed that the trainees are associated with the production of goods and services of the enterprise, at least for one hour during the reference period. In that case they should be considered as “at work” and be classified as employed, irrespective of whether or not they receive a wage or salary from the employer.

When the training does not take place within the context of an enterprise (e.g. training outside the enterprise, or inside the enterprise but without association with the production activity of the enterprise), the statistical treatment should depend on whether or not the trainees were employed by the enterprise before the training period.



Various types of training schemes exist, in addition to apprenticeships. These are organised directly by enterprises to train or retrain their staff, or subsidised by the government as a way to promote employment. Such training schemes are so varied in nature, as concerns modalities of contract, modes of payment, duration of training, etc., that specific guidelines on the classification of trainees into labour force categories cannot be formulated. Having discussed the issue, the 14th International Conference of Labour Statisticians agreed on the general guidelines described above.

Students, homemakers and others mainly engaged in non-economic activities during the reference period, who at the same time were in paid employment or self-employment, should be considered as employed on the same basis as other categories of employed persons (and be identified separately, where possible), in line with the priority rules of the labour force framework.

Armed Forces should include both the regular (career) and temporary (conscript) members of the armed forces, as specified in the 1988 revision of the International Standard Classification of Occupations (ISCO). Persons performing civilian services as an alternative to compulsory military service, wherever such possibility exists, are also classified as employed.

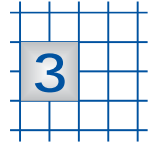
The one-hour criterion

To measure the number of persons employed, employment is broadly defined in the labour force framework. For operational purposes, the international guidelines indicate that...



...the notion of “**some work**” should be interpreted as work for at least one hour during the reference period.

This means that engagement in an economic activity for as little as one hour is sufficient for being classified as employed on the basis of the labour force framework. This one-hour limit is not mandatory in the international definition, and in principle, longer limits may also be used.



There are several inter-related reasons for the use of the one-hour criterion. The following are two of the main reasons:

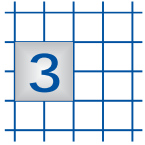
- to make this definition as extensive as possible, in order to cover all types of employment that may exist in a given country, including short-time work, casual labour, stand-by work and other types of irregular employment;
- to ensure that at an aggregate level total labour input corresponds to total production. This is particularly needed when joint analysis of employment and production statistics is intended.

The one-hour criterion is in line with the priority rules of the labour force framework which gives precedence to any employment activity over any other activity, and which defines unemployment as a situation of total lack of work. The definitions of employment and unemployment being inter-related in that framework, raising the minimum number of hours worked in the definition of employment would have the effect that unemployment would no longer only refer to a situation of total lack of work.

The one-hour criterion was reviewed by the 14th International Conference of Labour Statisticians which retained it, emphasising that the resulting employment data should be further classified by hours of work to permit distinctions among different subgroups of the employed. The breadth of the definition of employment emphasises also the importance of the measurement of underemployment (see **PART 5 of this module**) and the analysis of the relationships between employment and income.

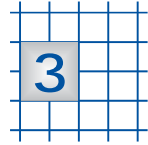
Important remarks

1. Employment statistics may be said to provide a lifelike image, as a puzzle missing some pieces. These statistics furnish an indicator of the number of persons who, during a specified period, contributed to the production of goods and services in a society. The analysis of the relationships between employment, income and other social and economic variables is necessary to plan and monitor employment, vocational training and similar types of programmes. It is often **argued that employment statistics**, as presently compiled, **provide a misleading picture of the actual work situation**. True, some employment statistics may show that few



women work when simple observation shows the contrary. Children, older persons and workers whose contribution to the economy is thought to be marginal often face a similar misrepresentation.

2. It can also happen that a large number of persons included in employment statistics may actually be performing non-work activities over periods of time. This is dependant on how their activities are measured and whether they are measured with respect to a short or a long reference period.
3. Employment statistics may also convey the idea that all workers put in the same amount of work, whereas in reality they may be working different hours and at different levels of productivity. And just to complicate matters, different methods of collecting data on employment produce different employment estimates. **What is at issue are the differences in the way the concept of employment is defined in theory and the way it is measured in practice.**
4. Who is counted as employed? **No unique definition of employment is used by all countries.** Many national definitions tend to converge towards the internationally agreed definition of employment in the *Resolution on statistics of the economically active population, employment, unemployment and underemployment* adopted by the 13th International Conference of Labour Statisticians in 1982. Your study of the international definition should make you realize that it is broad enough to leave a certain **margin for national interpretations.**
5. Employment figures refer to persons above a certain **age limit.** A specific value for this limit is not set out in the ILO guidelines. Countries need to choose one within their national context to cover those age groups that participate substantially in economic activity, also taking into account the need to reduce the cost of information collection. In many countries this lower limit is the end of compulsory schooling or the minimum working-age established by legislation. Whatever lower age limit, young persons who are below it and who are workers will inevitably be omitted from the statistics. This omission may hamper efforts to identify the extent of child labour.



6. The link between employment and the System of National Accounts (SNA) enables the development of consistent employment and production statistics, but there is one drawback. It causes many women who work to be excluded from the employment statistics because the SNA excludes services rendered for own consumption within households. Hence, **employment defined in terms of the SNA leaves out all persons who are exclusively dedicated to housework and caring of household members.** The matter has given rise to much debate. Although it is generally recognised that the distinction between what is included or excluded from the SNA rests on conceptual and technical grounds, there may be a gender bias in if the reasons behind the distinction between inclusions or exclusions from the SNA are based on the sex of the persons usually performing such activities. (ILO World Labour Report, 1995.)
7. With regard to **persons in employment but not at work**, the employment statistics in countries whose laws allow workers to take long leave without losing their jobs (parental or maternity leave, etc.) will tend to show a higher share of employed persons absent from work than statistics in countries whose laws are less favourable in this sense. In the latter group of countries, persons in the corresponding situation may be classified as 'outside the labour force'.

Indicators

When presenting data on employment, it may be useful to calculate:

- the **rate of employment** as the ratio between the employed and the currently active populations;
- the **ratio of employment to population**, as the share of the employed population to the working-age population.

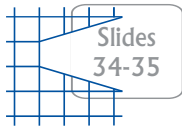
The employment-population ratio is equal to the labour force participation rate after deduction of the unemployed from the numerator of the rate. The employment-population ratio is related to the labour force participation rate and the unemployment rate (refer below to **PART 4 Unemployment Statistics**) in a way that the knowledge of two determines the value of the third.

PART 4

PART 4 UNEMPLOYMENT STATISTICS

International standard definition of unemployment

The standard definition is based on three criteria that have to be met simultaneously.



The “unemployed” comprise all persons above the age specified for measuring the economically active population, who during the reference period were:

- (a) “without work”, i.e. were not in paid employment or self-employment as specified by the international definition of employment;
- (b) “currently available for work”, i.e. were available for paid employment or self-employment during the reference period; and
- (c) “seeking work”, i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment.

This international definition does not refer to any institutional or legal provisions, such as the receipt of unemployment insurance benefits or registration at a public placement office. It refers exclusively to a person’s activities during a specified reference period.

Without work

In the standard definition of unemployment, the “without work” criterion serves to draw the distinction between employment and non-employment and to ensure that employment and unemployment are mutually exclusive, with precedence given to employment.

Persons are to be considered as without work if they did not work at all during the reference period (not even for one hour) nor were temporarily absent from work (as in the Employment definition).

4

The other two criteria of the standard definition of unemployment, “current availability for work” and “seeking work”, serve to distinguish – among the non-employed population – those who are unemployed from those who are not economically active.

Current availability for work

According to ILO guidelines, persons should be available for work during the reference period to be considered unemployed.

Availability means that, given a work opportunity, they should be able and ready to work.

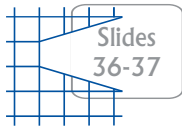
In the context of the standard definition of unemployment, one purpose of the availability criterion is to exclude persons who are seeking work who would begin at a later date, (for example, students seeking work after completion of the school year). It serves, therefore, as a test of current readiness to start work. It also serves to exclude persons who cannot take up work due to certain impediments, such as family responsibilities, illness, commitments to community services.

It is formulated in the guidelines as availability during the reference week or day; in practice some countries prefer to use a slightly longer period, e.g. the two weeks following the reference period (or survey interview). This is to account for the fact that not everyone who is seeking work can be expected to take up a job immediately when it is offered. Persons may be temporarily ill, or may need to make arrangements concerning child-care, transport facilities, etc., before being able to start work. Enterprises often do not expect newly recruited employees to start work before the forthcoming first or fifteenth of the month.

Future starts

An **exception to the general rule** that all three criteria (without work, currently available for work, and seeking work) have to be satisfied simultaneously to be considered as unemployed under the standard definition **is made for future starts**.

Future starts are persons without work, who have made arrangements to take up paid employment or undertake self-employment activity at a date subsequent to the reference period.



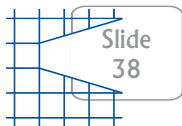
Such persons, if currently available for work, are to be considered unemployed whether or not they continue to seek work.

Between the alternative of considering future starts as unemployed or employed (with a job or enterprise but not at work), the international recommendations opt for unemployment. This is because such persons – being currently available for work – would presumably already have started work had the job begun earlier. They therefore, form part of the currently under-utilized labour resources.

Furthermore, within employment, the classification of such persons as temporarily absent from work would not be in line with the requirement that a person temporarily absent from work must have already worked in the job in question.

Seeking work

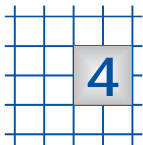
In accordance with the activity principle of the labour force framework, this criterion is formulated in terms of **active search for work**.



A person must have taken specific steps in a specified recent period to obtain work for being considered as seeking work.

A general declaration of being in search of work is not sufficient. This formulation of the criterion is meant to provide an element of objectivity for measurement.

The “recent” period specified for job search activities need **not** be the same as the basic survey reference period of one week or one day. It might be longer, such as one month or the past four weeks. The purpose of extending the job search period somewhat backwards in time is to take account of the prevailing time-lags involved in the process of obtaining work after the initial steps to find it were made. These time-lags are periods during which persons may not undertake other initiatives to find work or may be awaiting replies to applications.



“Active” steps to seek work

The ILO guidelines cite, as examples of active steps to seek work, **more formal methods:**

- the act of registration at a public or private employment exchange
- application to prospective employers;
- checking at work sites, farms, factory gates, market or other assembly places;
- placing or answering advertisements in newspapers;
- looking for land, building, machinery or equipment to establish own enterprise;
- arranging for financial resources;
- applying for permits and licenses, etc.

informal methods:

- seeking assistance of friends or relatives.

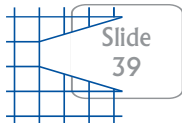
A debate exists concerning ‘active’, therefore acceptable steps, versus ‘passive’ or unacceptable steps (such as simply looking at, rather than responding to, newspaper advertisements, or being retained on a register).

The 14th International Conference of Labour Statisticians later specified that **registration at employment exchanges is ‘active’ only when it is for the purpose of obtaining a job offer**, as opposed to cases where it is merely an administrative requirement to receive certain social benefits (ILO, 1988).

NB. There is an important distinction between being registered and being unemployed. In some countries, persons need to be registered but may not have accepted a job in order to claim benefit. Some unemployed are not registered if they have no claim to benefit. Therefore register-based unemployment statistics are difficult to interpret since they are more a measure of benefit entitlement than survey-based unemployment.

The notion of seeking work is not dependent upon the type or the duration of the employment sought, whether related to self-employment, part-time employment, temporary, seasonal or casual work, and in general any type of work considered as economic activity.

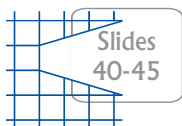
Seeking self-employment



The dividing line between seeking work activities and self-employment activities is often difficult to draw. **The distinction between the search for self-employment and the self-employment activities themselves** depends on the point when the enterprise formally starts to exist (through registration or through functioning, where registration is not required). Activities such as looking for potential clients or orders, advertising the goods or services produced, are an essential component of self-employment. When new enterprises are set up, at what point do they become a self-employment activity? *For example*, at what stage should the buying of initial stock or acquiring necessary equipment to open a shop be regarded as self-employed work?

The 14th ICLS distinction between seeking and self-employment activity itself was based on the point when the enterprise starts to exist formally, e.g. when the enterprise is registered. In situations where formal registration is not necessarily required to operate, the dividing line was suggested at the point when the enterprise is ready to receive the first order, when financial resources have become available, or when the necessary infrastructure is in place.
(ILO, 1988.)

Relaxation of the seeking work criterion – standard unemployment definition

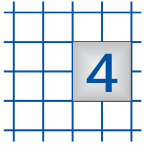


Seeking work – the **process of search** for information on the labour market – is particularly meaningful as a definitional criterion when the bulk of the working population is oriented towards paid employment and where channels for exchange of labour market information exist and are widely used.

While in industrialised countries these conditions are largely satisfied, this may not be the case in many developing countries. In these countries, most workers are self-employed, often in household enterprises. Labour exchanges and similar institutional arrangements are not fully developed or may often be limited to certain urban sectors or particular categories of workers.

In rural areas and in agriculture, because of the size of the localities and the nature of the activities, most workers have pretty complete knowledge of the work opportunities during the year, making it often unnecessary to take active steps to seek work.

In urban labour markets of developing countries and even in industrialised countries, there may exist similar situations in which particular groups of workers do not actively seek work because they believe that no work



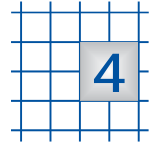
corresponding to their skills is available in their area or at particular times of the business cycle.

Because it was felt that the standard definition of unemployment, with its emphasis on the seeking of work, might be somewhat restrictive or not fully capture the prevailing employment situations in many countries, the 1982 guidelines provide for relaxation of the criterion in certain situations:

This provision is confined to situations where

- the conventional means of seeking work are of limited relevance,
- the labour market is largely unorganised or of limited scope,
- labour absorption is at the time inadequate, *or*
- the labour force is largely self-employed

Formulating a definition of unemployment under the relaxation provision does not necessarily mean that the seeking work criterion should be completely relaxed for all categories of workers; it may be only partial. One would then include among the unemployed, in addition to persons satisfying the standard definition, certain groups of persons without work, who are currently available for work, but who are not seeking work for particular reasons.



ILO guidelines give as *an example* of partial relaxation, **persons temporarily laid off** by their employer without maintaining a formal job attachment, (who cannot be classified as “employed with a job but not at work”).

Depending on national circumstances and policies, countries that prefer to relax the seeking work criterion in the case of persons temporarily laid off, may include them as a separate subcategory among the unemployed. Seasonal workers awaiting the busy season and “discouraged workers” could be other cases.

Availability for work under the relaxation provision

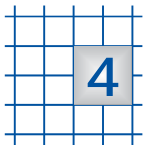
Where the labour market situation justifies the relaxation of the seeking work criterion, unemployment would be defined, for the persons concerned, in terms of the remaining two criteria, i.e. without work and current availability for work.

The availability criterion, in particular, becomes then a crucial element for measurement and **should be fully tested**.

Persons without work would be considered unemployed if, given a work opportunity, they are able and ready to work. This conditional element “given a work opportunity” is however no longer linked to the type of work actually sought by the job seeker so is therefore less clear.

The context to which current availability refers should be specified in relation to the particulars of the potential work opportunities in terms of remuneration, working time, location, occupation, etc. **Apart from special circumstances** (e.g. school attendance, family responsibilities, infirmity or disablement) **availability for work depends essentially on the nature of potential work opportunities**.

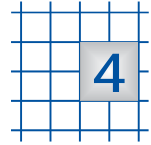
ILO guidelines recommend that in “the application of the criterion of current availability for work, especially in situations where the ‘seeking work’ criterion is relaxed, appropriate tests should be developed to suit national circumstances. Such tests may be based on notions such as present desire for work, previous work experience, willingness to take up work for wage or salary on locally prevailing terms, or readiness to undertake self-employment activity, given the necessary resources and facilities.”



Important remarks

1. Unemployment rates have recently been considered as much as indicators of social wellbeing as they are indicators of economic or labour market performance. Such figures influence voters, stock markets and movements of capital and investments. Because of the importance of these statistics in public discussion and individual choice, definitions of unemployment and methods of data collection are closely examined by specialists and non-specialists alike: there are **often heated accusations of statistical manipulation and measurement bias**. The issues may be grouped into three categories:
 - classification of certain borderline categories of the employed or unemployed;
 - distinction between survey unemployment and registered unemployment figures and
 - proper interpretation of unemployment as an indicator of the overall employment situation, around the world.
2. Even the most precise definition of unemployment cannot prevent borderline cases where ambiguities inevitably arise. People on the **borderline between employment and unemployment** include, among others, casual workers sporadically employed in odd jobs while seeking work; young job-seekers working on community work programmes, people working short hours involuntarily.
3. Those falling **between unemployment and economic inactivity** include, for example:
 - workers in self-employment promotion schemes receiving training to set up their own enterprise;
 - long-term unemployed workers no longer receiving unemployment benefits, 'discouraged workers' or people who have stopped looking for a job because they no longer believe they can find suitable work in their area or qualification.

Often in these situations, a **slight alteration or misinterpretation of one or more features of the definition of unemployment** can entail a drastic change in the resulting statistics. For this reason the



compilation of unemployment figures is sometimes open to controversy, even to accusations of statistical manipulation.

4. Another problem is that **unemployment measures only one aspect of the employment problem** in a given country: that of total lack of work. Less obvious situations are not accounted for in unemployment statistics at all, such as:
 - partial lack of work,
 - low income from employment,
 - under-utilization of skills, *or*
 - low productivity,
5. **In developing countries** the number of workers covered by unemployment insurance or other public relief schemes is usually quite limited. In these conditions **very few people can afford to be unemployed** in the sense described here, for any length of time. Indeed, the majority of workers tend to be engaged in some form of economic activity, however slight or inadequate.

Many of them are in the informal sector having created their own jobs to earn a living. Although such people may be seeking other or additional work, they will not be considered as unemployed. Hence, unemployment statistics alone cannot adequately describe their situation.

Indicators

When presenting data on unemployment, it may be useful to calculate separately by sex:

- **rates of unemployment** as the ratio between the unemployed and the economically active population;
- **ratios of unemployment to population**, as the share of the unemployed population to the working-age population.

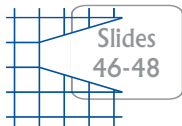
The unemployment rate is related to the labour force participation rate and the employment-population ratio (refer above to **PART 3 Employment Statistics**) in such a way that with knowledge of any two of these, one can determine the value of the third. Rates of unemployment may also be calculated for specific population groups, e.g. persons of a particular age group or with a particular level of educational attainment.

PART 5

UNDEREMPLOYMENT STATISTICS

The problem

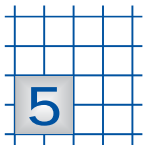
It has long been recognized that **measured unemployment is insufficient** to understand the shortcomings of the labour market in developing countries. In these countries, unemployment figures tend to be low. This does not mean, however, that the labour market is very effective – as would be the interpretation in an industrialized economy – but rather that unemployment is **only part of the problem**. For example:



- Most developing countries lack unemployment relief programmes, and many workers who find themselves without work cannot afford to stay in this situation, but have to **engage in any activity to survive**, even if it does not employ them full time, use their skills adequately or generate sufficient income for a decent living.
- These countries also have a high proportion of persons in self-employment jobs who, when facing periods of slack work, will tend to engage in **alternative self-employment activities** which generate a lower income, rather than face unemployment.
- Low unemployment figures in these countries are also the consequence of **traditional work arrangements**, common in many rural communities, whereby the available tasks are absorbed by the community as a whole at the cost of lowering the hours of work and income of all or most members of its population.

As a result, an important number of workers in developing countries tend to work fewer hours, earn lower incomes, use their skills less and in general work less productively than they could and would like to.

- More recently, the **limitations of the unemployment figure to describe the labour market functioning** have become more evident in developed countries as well. Through reductions and reorganizations in the demand for labour, many workers in these countries are experiencing not only a total lack of employment opportunities but also a lack of “adequate” employment opportunities, where persons who have jobs are often compelled to use their skills less fully or earn lower hourly wages or work less hours than they are willing and able to.



The unemployment figure, being very strictly defined and measured, does not account for these workers, even though their situation is affected by similar causes and they behave very much like the unemployed in many aspects.

- In the countries of Central and Eastern Europe and the former Soviet Union, fundamental **changes in the labour market situation have taken place during the transition from centrally-planned to market economies**. During this process, a large number of paid workers have become unemployed, while many others work short hours or earn low hourly wages.

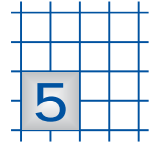
A specific feature in many of these countries is the high number of paid workers who are being forced by their employers to take unpaid leave. Consequently, the number of persons engaged in the informal sector has increased, many of them working in activities well below their skill level.

Underemployment was traditionally regarded as a phenomenon largely affecting developing countries. However, it has been **growing in relevance in industrialized countries** as well.

In order to: i) supplement statistics on employment and unemployment, ii) improve the description of employment problems, iii) assess the extent to which the available human resources are being utilised in the production process of the economy to promote full employment, iv) give insights for the design and evaluation of employment, income and social programmes, statistics are needed on persons who work fewer hours, earn less income or do not use their skills as fully as they are willing and able to. These are **employed persons whose employment level, in relation to the duration or productivity of work, are below their capacities and preferences**.

Such workers have **not attained their “full employment” level** in relation to the duration or productivity of their work, in the sense of the ILO Employment Policy Convention. They are persons experiencing what has come to be **known as underemployment**.

Full employment is the subject of the **Employment Policy Convention (No. 122)** adopted by the International Labour Conference in 1964 with a view to “stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment”. It calls on ILO member States to promote “full, productive and freely chosen employment” by ensuring that there is: (i) work for all who are available for and seeking work; (ii) work which is as productive as possible; and



(iii) work freely chosen by workers, who should have the fullest possibility to qualify and use their skills and endowments in a job for which they are well suited. Situations that fail to meet (i) relate to unemployment. Situations that do not meet (ii) or (iii) relate mainly to underemployment. The Employment Policy Recommendation (No. 122) further mentions the need to base national employment policies on statistics of employment, unemployment and underemployment.

Full employment policies in a country should target the reduction of unemployment and underemployment. It is general practice, however, that countries assess the performance of their labour markets only through the level of unemployment in the country. Therefore, national statistical offices will tend to give less priority to the measurement of underemployment.

Features of underemployment statistics

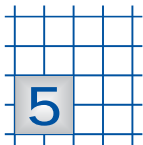
Statistics of underemployment **complement** statistics of employment and unemployment.

Many workers around the world tend to work fewer hours, earn less income or use their occupational skills only partly, compared with what they realistically would be capable of. In general terms, they tend to carry out an activity that is less productive than what they could and would like to do.

Unemployment statistics, defined and calculated very rigorously, do not take into account such workers, even if their situation is affected by similar causes as those which affect the unemployed, and even if in many ways they behave very similarly to the former. Thus...

...underemployment statistics are **part of and consistent with the conceptual framework for measuring the labour force** and are defined using criteria which are analogous to those used to define employment and unemployment.

Within this framework, underemployment is a separate category. More specifically, it is a subcategory of employment with the consequence that **underemployment only relates to persons in employment**. More important still, these definitional criteria are already being applied in various national household surveys, both in industrialised and developing countries alike.



A labour supply approach

Because it is embedded in the labour force framework...

...the measurement of underemployment uses a labour supply approach, which is based on workers' current capacities and desires, as expressed by the workers themselves.

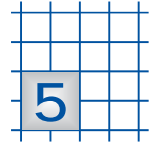
Workers themselves compare their current work situation with an alternative work situation in which they are willing and able to place themselves (which would represent an estimate of their full-employment level).

Full employment is understood as the "readily available supply of labour", i.e. the amount of work that persons are able and willing to provide. In principle, **workers themselves determine their full-employment level.**

Workers will be classified as underemployed if they are willing and able to change their work situation in order to, for example, work additional hours, or use their skills better, or increase their income per hour, or work in an establishment with higher productivity, etc., regardless of the duration or productivity of their current employment situation.

In practice, however, a maximum threshold may be used, so as to exclude persons whose duration or productivity of work can be considered to be "sufficient" or "adequate".

This is in contrast with a measurement based on a **labour demand approach**, which was used previously to measure "invisible" underemployment. That approach was based on theoretical models about workers' **potential** capacities and wishes. It compared current levels of utilization of the labour force with a benchmark that the population was potentially capable of providing if their circumstances were improved. Such a benchmark is estimated exogenously on the basis of hypotheses related to the potential capacities and desires of workers, to their possible mobility across occupations, industries, regions, etc. It tends to be a norm or unique value, inspired by national legislation or arising from policy or analytical circumstances. With that approach underemployment tended to include all persons whose current levels of utilization were below the selected benchmark.



Underemployment in the labour force framework

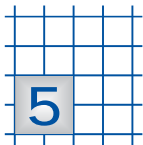


The conceptual framework for measuring the labour force adopted by the 13th International Conference of Labour Statisticians in 1982 (see **PART 2 of this module**) set the measurement standards to classify persons according to their activities during a short reference period, such as a week, into the three categories: employment, unemployment and economic inactivity, which are mutually exclusive and exhaustive of the population in a country.

This framework being widely recognised at the international level, has allowed the increased production of regular and internationally comparable statistics on employment and unemployment in a significant number of countries.

Unemployment as discussed previously (see **PART 4 of this module**) for example, includes persons who during the reference week did not work nor had a job, but who were willing to work (they prove this by looking actively for work) and were also available to work. By analogy...

...underemployment includes persons who, even though during the reference week worked or had a job, were willing and available to work “better” or “more adequately”.



This is the essence of the international definition of underemployment. Comparing the situation of current employment of a person with an alternative employment situation: that is an employment situation that workers are willing and available to carry out, thus identifies underemployment.

The problem of how to define underemployment for statistical purposes has been the focus of many discussions by the International Conference of Labour Statisticians (ICLS). In 1947 the 6th ICLS first mentioned the need to measure underemployment. In 1954 the 8th ICLS had before it a first proposal to define it. However, it was not until 1957 that the 9th ICLS adopted the first international statistical definition of underemployment. That 9th conference established the foundations for the international recommendations contained in two Resolutions adopted by the 11th in 1966 and by the 13th in 1982 and the current ILO guidelines adopted in the 16th ICLS Resolution, in 1998.

Current international definitions



The current international guidelines provide general conceptual definitions and operational definitions for the measurement of

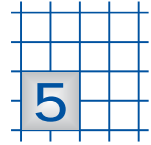
- time-related underemployment, *and*
- particular types of inadequate employment situations.

The first concept describes situations in which the hours of work of persons are insufficient for workers while the second concept relates to mismatches in occupational skills, income, excessive hours, precarious jobs, etc.

Both concepts reflect an under-utilization of the worker's capacities (thus well-being). Both are defined in relation to an alternative work situation in which the person is willing and available to engage.

Workers' willingness and availability to change their current work situation are essential to determine underemployment and inadequate employment.

A worker's willingness to change the work situation is essential to determine underemployment and inadequate employment situations, in the same way as a person's desire to work is essential to determine unemployment. But it is not enough.



Not all persons who desire to change their current work situation are actually available to do so, as many would need additional training or a change of circumstances. Equally, not all persons who have the personal capacities to change their current employment situation are actually willing to do so, as many are reluctant to change their current work situation.

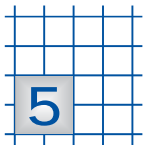
Time-related underemployment

Time-related underemployment relates to persons who are willing and able to work beyond the total hours worked **in all the jobs** they hold during the reference period and who work, during this period, fewer total hours **in all their jobs** than a selected threshold.

This means that persons who have two part-time jobs and want to replace these jobs with one full-time job involving the same number of total hours should not be classified as time-related underemployed. Neither should persons who work less than the threshold for their activity in the main job, but who, when their secondary activities are considered, work beyond that threshold, even if they declare that they want to work additional hours.

There are three criteria in the definition of time-related underemployment:

- Willingness to work additional hours
- Availability to work additional hours
- Having worked less than a threshold relating to working time.



Willingness

The workers' willingness to work additional hours is the first and main criterion. It identifies persons in employment who, regardless of the number of hours they actually worked during the reference period, express a desire or preference to work beyond the hours already worked in all their jobs during the reference period, whether usually or only currently.

Workers may want to increase their hours of work by:

- having another job (or jobs) in addition to their current job (or jobs);
- replacing any of their current jobs with another job (or jobs) with increased hours of work;
- increasing the hours of work in any of their current jobs; or
- a combination of the above possibilities.

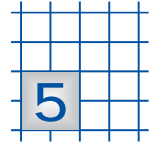
The international guidelines recommend to identify, among these workers, those who also sought actively to work additional hours. Actively seeking work is to be defined at the national level using the same criteria as for the measurement of unemployment.

Availability

Workers' availability to work additional hours aims to distinguish persons who are ready to work additional hours from those who are not.

This criterion has three components:

- Workers need to be **ready** (i.e. have the time to work additional hours);
- Workers need to be ready **within a subsequent period**, i.e. either immediately or after making some arrangements to replace their current jobs, for child care, to arrange for housing if moving to another location, and similar matters. This subsequent period needs to comprise the period generally required for workers to leave one job in order to start another.



- Workers need to have the **opportunity** to work additional hours in the type of arrangement wanted or sought, i.e. if they wanted to work additional hours in the same job, they should have the possibility to do so.

Having worked less than a threshold relating to working time

For policy purposes, this criterion aims to exclude workers who are willing and available to work additional hours but who can be considered to have attained full time employment (with regard to the dimension of 'duration of work'), because of the hours they worked during the reference period.

This criterion requires the measurement of workers' hours actually worked **in all jobs** during a short reference period, and the comparison of these hours with a threshold of hours. This threshold is to be chosen at the national level and relate to the boundary of full-time and part-time employment, to a norm as set by legislation, or to median or average values.

Given the limitations of using such national thresholds for international comparison purposes and to ensure analytical flexibility, it is recommended that all workers who are willing and available to work additional hours should be identified, regardless of the hours worked during the reference period. This implies that at the data collection stage of a household-based survey, all workers should be requested the information about their willingness and availability to work additional hours and that the exclusion of workers who work above the normal duration of work should be done subsequently, during the tabulation of the data.

Figure 1d, on the following page, synthesises the conceptual framework for measuring the labour force and its components: the employed and its sub-component the underemployed, the unemployed, as well as the residual group inactive or not in the labour force.

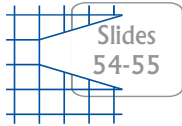
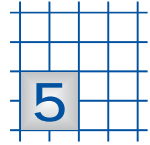
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Figure 1d

MEASURING THE LABOUR FORCE

(A conceptual framework)

PERSONS WHO...	...are willing and available for (alternative) work	... are not willing or not available for (alternative) work
...work or have a job	UNDEREMPLOYED	EMPLOYED
...do not work or do not have a job	UNEMPLOYED	INACTIVE



Time-related underemployment statistics

The international guidelines identified a number of statistics related to time-related underemployment. These are:

Analytical groups

In countries where part-time work is a widespread working time arrangement, two groups of time-related underemployed persons may be identified, which are important for analytical purposes.

These two groups are the following:

- underemployed persons who usually work part-time schedules and want to work more hours, *and*
- underemployed persons who during the reference period worked less than the selected threshold.

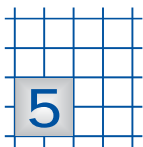
The former group can be seen as reflecting a structural type of underemployment, while the latter group can be seen as reflecting aggregate demand problems, or a more “cyclical” type of underemployment. It may be useful to study the relationship between them and the unemployed population at different points in time.

Volume of time-related underemployment

It may be interesting for countries to measure the severity of the underemployment situation.

The volume of time-related underemployment is defined in terms of the additional days, half-days or hours that time-related underemployed persons are willing and available to work up to the chosen threshold.

This information can be obtained directly, by asking persons in time-related underemployment for the number of additional days, half-days or hours that they want and would be available to work, or indirectly, as the difference of the total days, half-days or hours that persons want or prefer to work and the hours actually worked during the reference period.



Duration of time-related underemployment

The duration of underemployment is an important variable to account for important cycles during the year as an alternative to measuring underemployment over longer reference periods. It is defined as...

...the **elapsed duration** (i.e. the number of days, weeks, months or years) that underemployed persons have continuously been in the current situation, that is, wanting to change their current work situation for similar reasons, and available to do so.

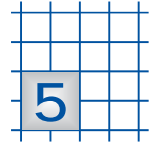
International guidelines also recommend to collect data on days or weeks of employment, unemployment and time-related underemployment over a year. This information is useful for the calculation of time-related underemployment over the year (e.g., usual underemployment). As such information depends on respondents' assessment and recall capacity, it may not be reliable. This may be of particular relevance in situations of irregular or casual employment, which are most affected by underemployment.

Reasons for multiple-job holding

The international definition of time-related underemployment relates to persons who work, during the short reference period, **fewer hours in all their jobs than the normal duration of work**. This excludes persons who work less than the normal duration of work for their activity in the main job, but who, when their secondary activities are considered, work beyond that norm, even if they declare that they want to work additional hours.

There are many multiple-job holders who have secondary activities in order to have an adequate income. It may be useful to supplement the measurement of time-related underemployment with a question on the reasons for having a secondary job, in order to identify those multiple job holders who would have been classified as time-related underemployed had they had only one job (i.e. those workers who report having a secondary job because the hours worked in their main job were insufficient).

Multiple-job holders have been defined as persons in employment who during the reference period had paid employment jobs with two or more employers, or had self-employment jobs in two or more enterprises, whether owned by workers themselves or by members of their household, or had both paid employment jobs and self-employment jobs (ILO, 1982). Paid and self-employment jobs are defined in the Resolution concerning the International Classification of Status in Employment, ISCE-93, adopted by the 15th International Conference of Labour Statisticians in 1993.



Indicators

When presenting data on time-related underemployment, it may be useful to calculate:

- the **rate of time-related underemployment** as the ratio between the time-related underemployed and the employed populations;
- the **rate of the volume of time-related underemployment**, as the share of the volume of time-related underemployment within the “potential time for work” of the employed population.

The potential time for work of the employed population is total hours of work that persons in employment would have worked if they had all been fully employed. It can be calculated as the sum of total hours actually worked by all employed persons or the volume of time-related underemployment.

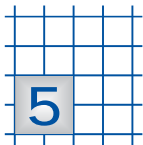
Classifying variables

As with the statistics of employment and unemployment, analysis of the time-related underemployed population requires its classification by significant demographic, social (e.g. household composition) and economic characteristics.

These should allow users to understand and analyse:

- the **particular position and constraints of women** workers as compared to men workers so as to provide a solid basis for promoting equality between women and men
- **significant demographic characteristics** in relation to the sex and age of persons;
- **social characteristics** in relation to persons’ educational attainment, presence of young children and other related persons requiring care, marital status, and, where polygamy is practised, rank within the marriage;
- **economic characteristics** in relation to the branch of economic activity, the occupation, the institutional sector (a category of which should be the informal sector, wherever relevant) and the status in employment of each job held by the worker.

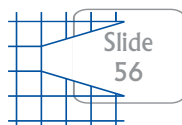
When presenting data on underemployment classified by economic characteristics, persons should be classified on the basis of their main or only job. Main job is understood as set forth in the Resolution concerning the



International Classification by Status in Employment, i.e. the job “at which [the worker] has worked the longest hours or which has provided the highest income from employment during the period (or which can be expected to provide the highest income from work carried out in that period, if payment can only be expected in the future)” (ILO, 1993).

Also, in order to provide users with sufficient information for the analysis of the statistics, data should be presented disaggregated by its component groups, in the form of “building blocks”. In order to throw light on the time-related underemployed it is proposed to classify the employed population by whether they were willing to work additional hours or not, and to further disaggregate these population groups by whether they were seeking to work additional hours or not, etc.

Inadequate employment situations



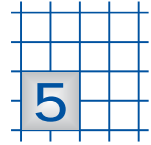
Inadequate employment situations include persons who, during a short reference period, were willing to change their current work situation or to make changes to their work activities and/or environment, for any of a set of reasons, chosen according to national circumstances.

The workers’ willingness to change their current work situation identifies persons who during the reference period wanted to:

- (a) replace any of their current paid or self-employment jobs for another one;
- (b) carry out changes in any of their current paid or self-employment jobs (i.e. by reorganising the work; upgrading tools, machinery or equipment; diversifying the type of goods and services produced; innovating marketing strategies; etc.), *or*
- (c) (a) and (b) simultaneously.

The reasons for wanting to carry out this change can include:

- inadequate use or mismatch of occupational skills;
- inadequate income in current jobs;
- excessive hours of work;
- precarious job situation;
- inadequate tools, equipment or training for the assigned tasks;
- insufficient social services;



- travel to work difficulties;
- variable, arbitrary or inconvenient work schedules;
- recurring work stoppages because of delivery failures of raw material or energy;
- prolonged non-payment of wages;
- long overdue payments from customers.

These reasons are **not mutually exclusive**. A person may be inadequately employed with respect to both skills and income. Such workers should be classified in both forms of inadequate employment and tabulated accordingly. Neither are these reasons exhaustive of inadequate employment situations.

International guidelines also mention **two additional criteria** which countries may wish to use to define workers in inadequate employment:

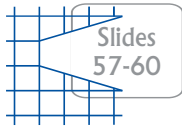
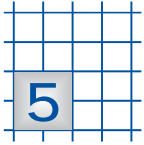
- workers should be **available to change their work situation**, where availability is defined along similar lines as in the definition of time-related underemployment.
- workers should **actively seek to change** their current work situation.

According to this scheme, therefore...

...workers are identified in inadequate employment in at least three stages:

- first, on the basis of their willingness to change their current work situation;
- then, on the basis of the reasons for wanting or preferring this change; and
- finally, on the basis of their availability for change and/or seeking work activities.

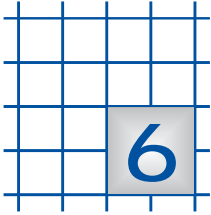
In contrast with the definition of time-related underemployment, where workers are directly identified on the basis of their desire or preference to work additional hours, workers in inadequate employment are **not directly identified** on the basis of their desire or preference to earn a higher income or to use their skills more fully, because all reasonable persons would therefore qualify for inclusion, which would render the measure meaningless.



Particular types of inadequate employment situations

The international guidelines identify three types of inadequate employment situations for which countries may wish to calculate separate indicators:

- **skill-related inadequate employment:** which includes persons who are willing or seeking to change their current work situation to use their current occupational skills more fully, and were available to do so;
- **income-related inadequate employment:** which includes persons who are willing or seeking to change their current work situation to increase their income by increasing the levels of work organisation or productivity, by improving tools and equipment, training or infrastructure, and were available to do so;
- **inadequate employment related to excessive hours:** which includes persons who are willing or seeking to change their current work situation to work less hours with a corresponding reduction of income.



PART 6

THE USUALLY ACTIVE POPULATION

Definition

According to the international standards,

The **usually active population** comprises all persons above a specified age, whose main activity status, as determined in terms of number of weeks or days during a long specified period (such as the preceding 12 months or the preceding calendar year) was “employed” or “unemployed”.

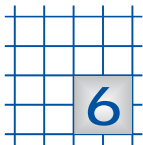
Differences between currently active population and usually active population

Currently active population	Usually active population
The measurement of the currently active population is based on the activity status of individuals, assessed on the basis of the “priority criterion” used in the labour force framework.	The measurement of the usually active population is based on the activity status of individuals, assessed on the basis of a “main activity criterion” over a long reference period.
In the labour force framework individuals are first identified as employed or unemployed, and then the two categories are summed to obtain the currently active population.	Persons are classified first as usually active or not usually active . Then the usually active may be further subdivided as employed or unemployed, according to the main activity during the “active” period.



NB: The definitions of one week or one day of employment or unemployment should, in principle, be the same as those used in the labour force framework. This provides a conceptual link between the definitions of the usually active population and the currently active population.

The example on the following page shows that for the measurement of the usually active population and its components, data on the duration of employment and unemployment over the year may also be needed. This is because the main activity status of individuals is to be determined on the basis



of the amount of time that these individuals were employed or unemployed during the reference period, measured in terms of weeks or days of employment or unemployment, which take precedence over inactivity.

Where employment is mostly of a regular and continuing nature and where a week of employment means generally a week of full-time employment or of employment for a major part of the working time, the main activity status can be based on weeks. Otherwise it is better to base the main activity status on days.



Example

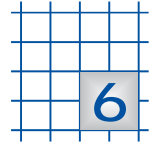
To illustrate the usual activity framework, consider the example of a person who, during the course of a year was employed for 13 weeks, unemployed for 18 weeks and not economically active during the remaining 21 weeks.

This person would first be classified as usually active as the extent of economic activity over the year ($13 + 18 = 31$ weeks) exceeded the extent of inactivity.

The person would then be classified as unemployed because the extent of unemployment exceeded that of employment. This is despite the fact that of the three activity statuses – “employed”, “unemployed” and “not active” – the person was “not active” for the largest number (21) of weeks.

There are **various methods** to best ensure retrospective measurement of the usually active population. One method is to make **direct inquiries of persons concerning their main activity status** during the entire reference period. However, in order to avoid recall errors due to memory lapses, inquiry about the total number of weeks (or days) of employment or of unemployment during the year can be made. This is referred to as **whole-year recall**. **Month-by-month recall** makes inquiries about the number of half-months, weeks or days of employment or of unemployment, for each month of the reference year.

Another method is the **job-specific approach**, where persons recall the jobs they held with different employers during the year, and the details of the duration of each job. For each period of work interruption, details of the activities undertaken are requested.



Not usually active population

Also according to the international standards, therefore, residually,

“...The **population not usually active** comprises all persons whose main activity status during the longer specified period was neither “employed” nor “unemployed”.”

This includes persons below the age specified for measuring the economically active population, such as children, as well as the following functional categories:

- (a) students
- (b) homemakers
- (c) income recipients (pensioners, rentiers)
- (d) other persons (for example those on public aid or who receive private support).

The international guidelines also suggest that in order to provide supplementary information concerning this population, it may be useful to identify the following functional subcategories of persons engaged in:

- unpaid community and volunteer services, and
- marginal activities, that fall outside the SNA boundary of economic activities.

Some advantages and limitations of using the usual activity framework

Advantages	Limitations
Measures dominant aspect of activity.	Retrospective questions have memory recall problems.
Takes seasonal factors into consideration.	Patterns of seasonal variations may not be revealed.
Takes account of labour market flows.	Interpretation and accuracy of resulting measures.
Measurement costs are relatively low.	



PRACTICAL ASSIGNMENTS

Case study N° 1 THE BOAFOS: A RURAL FAMILY

Classification exercise

INSTRUCTIONS

This assignment is designed to allow you to test your understanding of the concepts and definitions of economic activity that are covered in this module, by applying them to various life-like situations that you could encounter when actually measuring the concepts of economic activity for real persons in a survey environment.

Using the labour force framework, you will need to analyse each case and **suggest one category for current activity** and **one category for usual activity** status.

The details in each story give you the necessary elements that enable you to analyse the situation for each member of the family.

Read **carefully** and analyse all of the cases in the study presented below.

PART ONE:

Classification into currently active population categories

1. Table 1 has 11 questions – one for each column in the table – to be completed **for each family member**, based on the elements given to you in the story **for the short reference period of one week**.
2. Considering your answers for each family member, **classify them into one of the currently active population categories: employed, unemployed or inactive**. Write your answers in column 9 of Table 1. From your reply to column 11, indicate whether the family member is **underemployed** in the last column 11.

**PART TWO:****Classification into usually active population categories**

3. Based on the story of each family member, **fill in Table 2**, at the end of the case study, by giving **one answer** for each column.

(In Table 2, there are 4 questions to be completed for each person, based on the elements given to you in the story for the entire period; assume this is the **long reference period**. By giving one answer for each column you will be able to classify the usual activity status of each family member).

NB: Note that a person is classified into an economic activity situation with respect to a **specified reference period**.

- (a) For **current activity**, this period is **the week that the storyteller visited the village**.
- (b) For **usual activity**, the reference period is the longest period referred to in each story (**assume one year**).

CASE STUDY

This story is about a family who lives in Manuba, a little town in the mountains of Cumfo, an imaginary country. The houses in this town are not packed together, but are generally scattered. Many houses have a piece of land, where beans, corn, plantains or other vegetables are grown for daily consumption or for sale. In this town, I stayed with the Boafo family *during one week*. They attracted my attention as being a family of good, hard-working people, for whom things go sometimes well and other times not so well, but who live their life as happily as they can.

The father and the mother of this family are called Yusif and Meret. He is tall and handsome, and Meret's beauty is such that it cannot be described with simple words. They both married very young, at the age of 20. One year later they had their first child, Regis, who is now 21. They had two more children: Fatima, who is 15 and Alex who is eight. Yusif's younger sister, Sofia, who is 15 years younger than him, lives in Lagoon, a big city about 150 kms away from Manuba. The week I was there, her husband, Afzal, who is 5 years older than she, was paying them a visit, so I had the opportunity of meeting him too.



1. MERET

Meret is a hard-working woman who never finds a moment to rest. Every day *during the week that I was with them* (and in fact, every day of the year), she was the first one to get up in the morning to prepare the breakfast for everybody. It generally consisted of corn porridge and tea. She made sure that everybody had eaten their breakfast properly and only then would she eat. After breakfast, she washed the dishes and proceeded to clean and put the house in order. Every morning, she looked after the field until noon, where she has planted all kinds of vegetables but mainly corn. This field was in fact owned by a neighbour, and Meret had to give him one third of her product as payment. She watered and weeded the field carefully. In total she spent about 3 hours every day in the field. She then went to town to buy some food or other commodities and once home proceeded to do her other chores. She sewed clothes for her family, especially for her daughter, who should get married soon. She also sewed clothes for some neighbour's children who gave her spun cloth in return. She spent about two hours every day (or maybe more) doing this activity. As the afternoon approached she went back to the kitchen to prepare dinner for the whole family. Making dinner is a complicated task but she was so used to it she did not think it required any effort. She started the fire, ground the beans, etc. After dinner, she washed the plates and cleaned the kitchen. By that time, everybody else was already asleep. One day she remembered the time when her children were babies, and she told me: "My, what a lot of work I had to do then!".

2. YUSIF

Yusif is a good husband and father. Ever since his youth he has been making vases, plates, pots, and all kinds of ornaments. He paints them with traditional designs of many colours but he can also make modern designs. Every morning, after his breakfast, he goes to his ceramic workshop at the back of the house to work. He makes good quality products. When the season is high, he produces enough to sell not only in his town, but in neighbouring towns too. During all of the high season, lasting about five months of the year, he engages a young man as a helper and trains him in the art (personally, he would prefer to have his son Regis take that job, but Regis thinks differently). When the season is dry, however, he cannot get enough material to work and produces very little or nothing at all. During this time, he has to look for other jobs. Most of the time, however, he does not even look, although he would accept a job if one were offered to him, because he knows he will not find another one.

During the week I was at the Boafo's home, it was the high season. From Monday to Saturday, except Thursday when he was sick, he went to his workshop at about 9 am (his helper was already there, working). Then at noon he took a nap. He continued his work at about 3 in the afternoon, when the sun was not so high and stopped two hours later, at about 5. He then invariably went to town to have tea with his friends and listen to the radio. When the sun set, he went back home to have his dinner in the quietness of his home. He then played a game of dominoes with his youngest son Alex.



3. ALEX

Alex is the youngest of the family. *Every day of the week I was there*, his mother woke him up early in the morning. He dressed quickly and went to feed the household's 13 chickens, cleaned the henhouse and picked the eggs they had hatched: there were 10 on Monday, 8 both on Tuesday and Thursday, 11 on Friday and on Sunday, and 6 on the remaining two days. So many eggs! Of these, most were sold to the grocer, who is a friend of the family, and the rest were consumed at home. Everyday he would spend around half an hour doing these activities. After having breakfast he went to school, where he learns about faraway lands. He is full of ambition and wants to become a doctor to heal so many needy children in his town. On his way to school, he left the eggs at the store. After school he hung around with the other schoolboys and played football. On Wednesday he had a fight with one of his friends and came back home with his nose bleeding. Once back home he did his homework in a hurry (on Wednesday he did not do it) just before being called for dinner. After dinner, he joined his Father for a game of dominoes.

4. REGIS

Regis is the oldest son of the family, the pride of his parents because he went to secondary school and became a learned man. He got a wonderful job at a bank in Lagoon, a big city about 150 Kilometres away from Manuba. There, he has to deal with many people who come to deposit or withdraw money. He is such a good son; he sends money home. He also buys special gifts for his Mama, who of course gives them to Fatima, since she needs to find a husband. Since he works so far away, Regis does not live in Manuba. However, he can come home twice every week, because in the bank, people only work five days a week from nine till five. Incredible. And he gets a fixed amount of money twice a month! He has really made it.

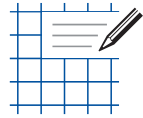
The week I was there he was spending his vacation, of which he had two weeks, at home. Such a luxury could not go un-wasted of course, so in fact he helped his Father in the workshop everyday. However, he only worked in the afternoons, from three to five, because he was too lazy to get out of bed early in the morning. Anyway, he is not being paid so he does not really care!

5. FATIMA

Fatima is the only daughter of the family. She is so intelligent that when she was five she could already read and write (her brother Regis taught her). She would like to continue her studies to become a teacher. However, tradition dictates that she should get married soon and have several children. So she stays in the house and helps her mother with the housework.

Every day during the week I was there, at about 8 in the morning she walked to the river which was 2 Kilometres away to fetch water for the household. On Tuesday, Thursday and Saturday she took with her the dirty laundry and washed it in the river. By the time she came back her Mama had come back from the field (it was noon). In the afternoon of Monday and Tuesday afternoon she went to look for wood or cow dung to use as fuel, and the other days she did her usual embroidery to prepare her dowry. This would take her about two hours. Although her mother has taught her how to sew and cook and she does it quite well, she does not like it too much!

She is also usually in charge of most of the food processing, as well as selling at the market their agricultural products and some of the pottery her father makes. However, during the week I was there she did none of these tasks because, she explained, that week her mother was doing the food processing and it had rained so much that the road to the market was temporarily closed.



6. THE HELPER

Each day of the week I visited, a young man would come very early in the morning and open Yusif's workshop. Immediately he would start cleaning the place up and preparing the working instruments. This man was engaged by Yusif to help him out with the tasks that he does not really want to do: fetching water and clay, polishing the finished plates, vases and pots and preparing the oven to cook the ceramics. In exchange, Yusif teaches him how to do the ceramic pieces and how to paint them well. He is a quick learner and has now started to make simple pieces for sale. Yusif is very happy with him, because he works hard (about 9 hours a day) and well and even pays Yusif to learn! In fact, he likes him so much that he is even considering whether he could marry Fatima! (She knows nothing of it, of course.) However, the young helper is very discreet and has not shown any signs of interest. He never goes to Yusif's house, and because his parents live nearby, he eats and sleeps at their house.

7. AFZAL

Afzal, Yusif's brother-in-law, sometimes spends the night at the Boafo's home. For a living, he does something very interesting: he finds clients for other people's products. For example, he finds clients for Yusif's pottery outside of Manuba, usually in Lagoon. He has a little office where he works with another person, an associate. Because of his work, he travels a lot to the different towns including Manuba, where the Boafo family lives. He is a very mysterious man and you never know what he is thinking or whether he is sincere. But he sure does well! About three months ago he had an accident and *when I was at the Boafos* he was still unable to work. During all this time he has had to maintain his family out of his savings. Fortunately, not all is lost, because his associate has been able to run the business on his own and has maintained all his contacts. Therefore, he knows that when he recovers from his accident he will be able to continue his business.

8. SOFIA

Sofia, Yusif's younger sister and Afzal's wife, lives in Lagoon and is a very lucky woman. She has a home-worker who does everything for her, so she can spend the day playing with her twin babies and braiding her hair. However, she is not content with doing just that, so she has joined an association to help the city's orphans. They organise welfare bazaars to sell handicrafts done by them. They also carry out other important activities. *The week I was there*, for example, they organised a lottery to raise some money. She kept herself busy with its preparation on Monday and Thursday afternoon (about three hours every day). The other four afternoons she went to visit some of her relatives.



CASE STUDY 1

CLASSIFICATION INTO CURRENTLY ACTIVE POPULATION
(Reference period: one week)

FAMILY MEMBERS	1 List all activities related to the production of goods or services	2 Put (a) if the output is intended for supply to other units or for own final use. Put (b) if only for goods, or (c) for services	3 Did the person perform an economic activity? (d)	4 Was the person absent from work? (e)	5 If (d) = yes, did the person work at least one hour?
1. MERET					
2. YUSIF					
3. ALEX					
4. REGIS					
5. FATIMA					
6. HELPER					
7. AFZAL					
8. SOFIA					

TABLE 1

6 If (e) = yes, did the person have a formal attachment to work)?	7 Was the person not in employment (f), available for work (g), seeking work (h)?	8 If (f) = yes, (g) = yes and (h) = no, give reasons for not seeking work	9 Did the person work less than x hours (i), want to work more hours (j), was available for or seeking additional work (k)?	10 Was the person employed (l), unemployed (m), underemployed (n) or not economically active (o)?



CASE STUDY 1

TABLE 2

CLASSIFICATION INTO USUALLY ACTIVE POPULATION (Reference period: one year)

FAMILY MEMBERS	1 How many months during the year was the person employed?	2 How many months during the year was the person unemployed?	3 Is the person usually active or inactive?	4 If active, is the person usually employed or unemployed?
1. MERET				
2. YUSIF				
3. ALEX				
4. REGIS				
5. FATIMA				
6. HELPER				
7. AFZAL				
8. SOFIA				



PRACTICAL ASSIGNMENTS

Case study N° 2 TCHORNIY: A LARGE INDUSTRIAL TOWN

Classification exercise

INSTRUCTIONS

This assignment is designed to allow you to test your understanding of the concepts and definitions of economic activity that are covered in this module, by classifying life-like situations into an activity status, based on the activities the persons do.

Using the labour force framework, you will need to analyse each case and **indicate the current activity and one category for usual activity status**.

The details in each story give you the necessary elements that enable you to analyse the situation for each resident of the city.

Read **carefully** and analyse all of the cases in the study presented below.

PART ONE:

Classification into currently active population categories

1. Based on each story, **fill out the columns with your answers in Table 1** (at the end of the case study).

(Table 1 has 7 questions – one for each column in the table – to be completed **as relevant for each person**, based on the elements given to you in the story **for the short reference period of one week**). Note that classification is based on the main job.

2. Consider your answers to the 7 columns that conclude the **classification of each person into one of the currently active population categories: employed, unemployed or inactive**. In the last column, give the reasons (examples of activities) that explain your classification selection.

**PART TWO:****Classification into usually active population categories**

3. Based on the story of each resident, **fill in Table 2**, at the end of the case study, by giving **one answer** for each column.

In Table 2, there are 4 questions to be completed for each person, based on the elements given to you in the story for the entire period; assume this is the **long reference period**. By giving one answer for each column you will be able to classify the usual activity status of each resident.

NB: Note that a person is classified into an economic activity situation with respect to **the main job carried out during a specified reference period**.

- (a) For **current activity**, this period is **the week that the storyteller visited the city**.
- (b) For **usual activity**, the reference period is the longest period referred to in each story (assume one year).

CASE STUDY

Tchorniy had been severely hit by the economic restructuring process that began in the past few years. It was hard to get a train going there and I had to wait a few days, so only arrived on Saturday. I must say it was not a very pretty sight to see, although things seemed active down by the central football stadium! Life in Tchorniy had never been easy, but now many families did not know how to cope. So many work places had closed or cut down in size and all of a sudden people were out of a lifelong job! The older workers especially find it hard to comprehend the new situation or adapt to it.

1. SVETLANA

I ran into Granny Svetlana, a 68 year-old, cheerful and outgoing widow the very *first day I arrived*. She was at the football stadium (as she apparently is every Saturday of the year) selling woolen gloves and hats that she knits herself. I noticed her especially because of the pretty colours and designs she chooses. I could see that she was selling well and I even bought some for myself. She told me she knows she could sell much more, if only her old arthritic fingers could work faster. However, although she knits many hours per day, she cannot produce more pieces. Luckily her eyes are still strong. She used to work as a forewoman in a factory making household appliances but now she is retired with a small pension. She would like to do more to help her children and grandchildren, with whom she lives, but she does not know what she could do!



2. ALLA

Svetlana's daughter Alla is 45 years old and has her Mother's character. She used to work as a quality controller at the same factory from which her Mother retired during the good old days. But Alla lost her job when the factory was taken over by a foreign investor. She is unemployed and has been receiving benefits for so, so long now that her rights were about to elapse. *The week I was there* she was sent on a public work scheme "every day, all day long, doing the same ridiculous things" she informed me. I would have thought she would be happier to be doing something, but she says she had to accept it in order to maintain her small unemployment benefit. She really wishes she had a job, especially because her husband's situation is not sure either.

3. VLADIMIR

Vladimir, Alla's husband, is happily surrounded by wilful, courageous women (his wife, his mother-in-law, even his daughter, Marina and who knows, perhaps his new granddaughter too). At 46 years old, he is still rather a shy sort of person. For the past five weeks and *for the entire week* I was there, he had been on unpaid leave because the administration of his enterprise, the large state-owned factory that produces agricultural machinery, experienced a lack of orders and had to cut down staff costs in order to survive. He sometimes wonders whether he would have been one of those kept on if he were more extroverted, especially as he had worked there for years. He was told to report back for duty on the first of next month, just two weeks away. He expects that there will be work for him soon because colleagues told him last week that the enterprise had won the government bid with Cheenaland, but he is ready to resume work at any time as the family needs his salary badly!

4. MARINA

Life looks better for Marina, Alla and Vladimir's daughter, which is as it should be when one is young (only 20 years) and beautiful and still full of hope. Upon finishing her training as a secretary with two foreign languages, she is about to start her first job ! *In the week I was there*, she had stopped seeking work because of this great permanent one she has found. She was kind enough to show me around town to where the young people go. I personally don't like this new loud music – what about you ? Anyway back to the story: her job is with a newly established foreign-owned company and she begins next month. She would be willing to start there sooner – as a matter of fact she can't wait!

5. VADIM

Vadim is 23 and already married with one child, a granddaughter for Alla and Vladimir. As a boy he never did very well at school and seemed to get by more on his good looks and charm than on his hard work. He did not obtain any qualification, unlike his sister Marina. Luckily for his family, he is turning out to be a more resourceful young man. At regular intervals, he travels to the capital city and from there takes the train over the border to buy textiles which he sells on the streets back home for a good profit. *The week I was there* he seemed to be having the same problem with the trains as I had to get to Tcherniy, so the preparations for his next trip were taking longer than expected and his stocks had completely run out. At least he could help mind their young daughter while his wife was busy painting (he hates the smell of fresh paint).



6. NILA

As you can guess, Nila, Vadim's wife, was repainting their apartment *during the week I was there*. She used the paint Vadim brought her from his last trip, bought cheaply. She had the time because she was on leave which had started 15 months ago due to their first child, whom she had at 20. She still has nine months of leave to go. The assurance her employer gave her about returning to work has certainly turned out to be a joke! She heard from her work mates who are saleswomen too that the shop went bankrupt and closed down. It serves the owners right! Besides, she does not really want to work right now, her daughter is still too small. However, being a practical person she realizes she must already start looking for work. She told me she had contacted all her former colleagues in their new work places during the last month.

7. TATIANA

Tatiana is 44 years old and not very happily married to Mikhael (whom I actually met first). It's not his fault, it's just that she is always depressed. So would *you* be if you had lost your job a year and a half ago just because your enterprise went private. They reduced the workforce (especially the women!) considerably. What thanks for all those years of work. During the first 12 months after she lost her place, she did everything possible to find a new production job, even if it were not in textile-manufacturing which she was used to. But *the week I arrived* she had already given up as she realized there was no work available for persons of her qualifications and age. If only a miracle occurred and she were offered a job, she would jump on it immediately.

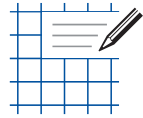
8. MIKHAEL

When I needed a car to visit a well known market outside of town, I met Mikhael, the 43-year-old car mechanic. He seemed a very helpful fellow but always on the run; perhaps that is one reason why his wife Tatiana is not satisfied with him. You see, although he was one of the lucky people to be able to keep his job during the restructuring of his enterprise, he also needs his weekend activities. *The week I was there*, he worked at his mechanics job 8 hours a day from Monday through Friday.

But during the evening hours and the weekend, he repaired cars for friends and neighbors, thereby earning substantial additional income, although some friends pay by installments. He found me a decent car to rent from an acquaintance of his, which saved me the bother of trying to take the local transport.

9. MILENA

Tatiana and Mikhael have a brilliant daughter 21 years old who is still a student in pharmacology. Her parents are very proud of her. As part of her 5-year studies she has to do several "practical courses". *During the week I was there*, she was on a two-month trainee programme at the largest pharmaceuticals enterprise of Tcherniy, where she excitedly explained to me she was participating in the first phase of the development of a new antibiotic which may save many people's lives. As you can see, she is devoted to research, and would never give up her studies before she obtains the highest degree. Perhaps one day her idea of going to work in the 3rd world to help their budding medicine industry will come true.



10. MACIEJ

Maciej is Milena's twin brother, so I do not need to tell you how old he is. They are very attached to one another but they also have very different personalities and interests. He is an accountant. After the end of his training, he worked for some time in a factory which made fertilizers for State farms. When it had to close six months ago, Maciej registered as unemployed with the local employment office. He was participating in a three-month full-time training course organized by the employment office to upgrade his skills in computer technology. He was still receiving unemployment benefits *during the week I visited* so he treated me and Milena to a drink in town one evening after their courses. He considers this training essential for his career development, so he is working seriously and wants to finish it with the highest-level certificate. He would not possibly accept a job offer before finishing the course, even though he is realistic enough to know that the certificate will not provide any guarantee of obtaining a job.

11. NINA

Granny Nina is very, very old in appearance although she has actually just turned 67. Somehow the years have been harsh on Mikhael's mother since her husband died. Normally as a pensioner she would share in her only son's family duties, but she does not get along well with her daughter-in-law, Tatiana. I found the arrangement they have made quite functional: Granny Nina never interferes with Tatiana's running of her household, and her daughter-in-law does not touch the family's individual fruit and vegetable plot where Nina's knowledge and experience enable her to grow much more than the family needs for their own consumption. Their neighbors and her son's colleagues have begun to count on the supply which they can buy from her. Granny is frugal and gives most of the profits to her grandchildren whom she adores and pampers, instead of to Tatiana.

In the week I was there, she spent a whole day checking the stored apples, potatoes and carrots in order to throw out the rotten ones. When I asked her over a hot cup of very sugary tea (her only indulgence) whether she thought she was strong enough to work more, she replied with a smile that she had worked enough in her life and was enjoying the quiet wintery days which allow her to look at more TV and watch her daughter-in-law do the cleaning or cooking.

12. IGOR

Igor is living next door to Mikhael and Tatiana, all by himself. He is 52 years old and divorced with no children. As a relatively well paid clerical worker he had been happy on his own. Until he was put on unpaid leave by the administration of his enterprise 5 months ago ! They produce heavy construction materials. He does not know the exact date when he will be called back to work, as they put him off from month to month, but he does know that the building industry is not doing so well these days. Personally of course, he is ready to return to his work at any time, he has nothing else to do. *In the week I was there*, however, he had not started looking for another job; what's the point if he will already be recalled by his employer within the next month or two. Meanwhile, he survives by receiving a small amount of money from public funds and by obtaining food (he doesn't need much) from friends like Mikhael's family and relatives living nearby in the countryside.



CASE STUDY 2

CLASSIFICATION IN ECONOMIC ACTIVITY, EMPLOYMENT, UNEMPLOYMENT AND UNDEREMPLOYMENT

(Reference period: one week)

CASES	FOR EACH CASE, TICK WHETHER...			
	EMPLOYED		UNEMPLOYED	NOT ECONOMICALLY ACTIVE
	AT WORK	NOT AT WORK		
1. SVETLANA				
2. ALLA				
3. VLADIMIR				
4. MARINA				
5. VADIM				
6. NILA				
7. TATIANA				
8. MIKHAEL				
9. MILENA				
10. MACIEJ				
11. NINA				
12. IGOR				

TABLE 1

IF EMPLOYED, TICK WHETHER...			EXPLAIN REASONS FOR CLASSIFICATION
MULTIPLE JOB HOLDER (enter main job)	UNDEREMPLOYED		
	TIME RELATED	INAD. EEMPL.	



CASE STUDY 2

TABLE 2

CLASSIFICATION INTO USUALLY ACTIVE POPULATION

(Reference period: one year)

FAMILY MEMBERS	1 How many months during the year was the person employed?	2 How many months during the year was the person unemployed?	3 Is the person usually active or inactive?	4 If active, is the person usually employed or unemployed?
1. SVETLANA				
2. ALLA				
3. VLADIMIR				
4. MARINA				
5. VADIM				
6. NILA				
7. TATIANA				
8. MIKHAEL				
9. MILENA				
10. MACIEJ				
11. NINA				
12. IGOR				



PRACTICAL ASSIGNMENTS

Case study N° 3 MANUBA

Data analysis exercise

Manuba suffered a terrible earthquake at the end of 1996 that dearly affected the whole country. Government undertook serious efforts to redress and improve the economic situation of the country. In particular, the Ministry of Labour launched a major Employment Creation Programme. The authorities were keen to have not only men, but also the women of Manuba, enter into the labour market. The Ministry of Education played its part, aiming at training the active population in various specialised occupations.

Several years down the road, the Government of Manuba wishes to assess whether these activities, which cost the country valuable resources, had a positive impact on employment in general and on unemployment and professional work. It especially wants to know to what extent women have benefited from these measures. In order to measure their impact, the relevant authorities must:

1. Identify the extent of men and women's participation in working life (employment and unemployment) and the trends over the period;
2. Identify which industries and occupations were most adversely affected by the earthquake and examine what changes they have undergone.

The data set you will need to analyse in order to report to Government is given below. It contains statistics of: (a) the total population, the economically active population, employment and unemployment by sex (Table 1); (b) employment by industry and sex (Table 2); and (c) employment by occupation and sex (Table 3). **Please write a brief analysis of the labour market situation in Manuba over the period.** [On the following page are some basic statistics you will require for your report.]



SOME BASIC STATISTICS

(a) Activity rate by sex:

$$\frac{\text{economically active population}}{\text{total population}} \times 100$$

(b) Unemployment rate by sex:

$$\frac{\text{unemployed population}}{\text{economically active population}} \times 100$$

(c) Share of men/women in the total population, in the EAP, in total employment, in total unemployment:

$$\frac{\text{men in the total population}}{\text{women in total population}}$$

$$\frac{\text{men in the active population}}{\text{women in active population}}$$

(d) Share of men/women in each industry or occupation:

$$\frac{\text{men in agriculture}}{\text{total employed in agriculture}} \times 100$$

$$\frac{\text{women in agriculture}}{\text{total employed in agriculture}} \times 100$$

(e) Relative share of each industry or occupation in total employment, by sex:

$$\frac{\text{employment in agriculture}}{\text{total employment}} \times 100$$

$$\frac{\text{employment in services}}{\text{total employment}} \times 100$$



Table 1
STATISTICS OF THE ECONOMICALLY ACTIVE POPULATION
(thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL										
Total Population	225612	229307	231531	233981	236158	238739	241079	243401	245807	244960
EAP *	106940	108670	91204	91370	92087	97957	103868	117300	121669	123870
Employment	99303	100397	80526	80653	83548	89645	95631	109875	114968	117342
Unemployment	7637	8273	10678	10717	8539	8312	8237	7425	6701	6528
(a) Activity rate	.	.	.	.	.	.	.	.	.	.
(b) Unemployment rate	.	.	.	.	.	.	.	.	.	.
MEN										
Total Population	110886	111424	112499	113714	114766	116161	117362	118532	119738	119301
EAP *	61453	61974	54742	56225	55747	58757	63184	65663	66928	67840
Employment	57186	57397	48563	49965	51003	54236	58654	61562	63273	64315
Unemployment	4267	4577	6179	6260	4744	4521	4530	4101	3655	3525
(a) Activity rate	.	.	.	.	.	.	.	.	.	.
(b) Unemployment rate	.	.	.	.	.	.	.	.	.	.
WOMEN										
Total Population	114726	117884	119034	120267	121393	122579	123719	124871	126070	125659
EAP *	45487	46696	36462	35145	36339	39200	40684	51637	54741	56030
Employment	42117	43000	31963	30688	32545	35409	36977	48313	51695	53027
Unemployment	3370	3696	4499	4457	3794	3791	3707	3324	3046	3003
(a) Activity rate	.	.	.	.	.	.	.	.	.	.
(b) Unemployment rate	.	.	.	.	.	.	.	.	.	.
(c) RATIO MEN/WOMEN:										
in the total pop.	.	.	.	.	.	.	.	.	.	.
in the EAP	.	.	.	.	.	.	.	.	.	.
in employment	.	.	.	.	.	.	.	.	.	.
in unemployment	.	.	.	.	.	.	.	.	.	.

* Civilian labour force employed, 16 years and above



Table 2
EMPLOYMENT BY INDUSTRY & SEX
(thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
MEN AND WOMEN	99303	100397	80526	80653	83548	89645	95631	109875	114968	117342
Agriculture...	3529	3519	3571	3541	3469	3338	3350	3400	3326	3378
Mining/quarrying	979	1118	1028	921	957	939	880	818	753	719
Manufacturing	21942	21817	20285	19946	20995	20879	20962	20935	21320	21652
Electricity...	1405	1426	1428	1464	1499	1486	1455	1539	1551	1506
Construction	6215	6060	5756	6149	6665	6987	7288	7456	7603	7680
Trade...	20191	20524	20758	21145	21979	22296	22813	23392	23663	24230
Transport...	5120	5207	5124	5524	5859	6062	6195	6341	6513	6588
Finances...	8351	8651	9066	9737	10380	11005	11707	12469	12972	13277
Services...	31571	32075	13512	12223	11745	16654	20982	33524	37266	38312
MEN	57186	57397	48563	49965	51003	54236	58654	61562	63273	64315
Agriculture...	2842	2824	2876	2838	2793	2667	2664	2696	2616	2654
Mining/quarrying	845	949	864	761	793	795	736	695	626	602
Manufacturing	15036	14906	13723	13454	14160	14127	14225	14061	14301	14566
Electricity...	1153	1160	1173	1207	1230	1212	1170	1245	1259	1212
Construction	5717	5566	5268	5640	6104	6370	6663	6793	6899	6992
Trade...	10838	10907	10988	11197	11552	11742	11990	12301	12437	12795
Transport...	3725	3715	3654	3997	4227	4301	4383	4514	4597	4588
Finances...	3800	3937	4244	4494	4755	4942	5205	5572	5822	5912
Services...	13230	13433	5773	6377	5389	8080	11618	13685	14716	14994
WOMEN	42117	43000	31963	30688	32545	35409	36977	48313	51695	53027
Agriculture...	687	695	694	705	676	671	686	705	710	725
Mining/quarrying	134	169	164	161	165	144	143	123	127	117
Manufacturing	6906	6911	6562	6492	6835	6752	6737	6874	7019	7086
Electricity...	252	266	255	256	269	274	285	294	293	294
Construction	498	494	488	509	561	617	625	664	704	687
Trade...	9353	9617	9770	9948	10427	10554	10823	11091	11226	11435
Transport...	1395	1492	1469	1528	1632	1761	1812	1826	1916	2000
Finances...	4551	4714	4822	5243	5624	6062	6502	6897	7150	7365
Services...	18341	18642	7739	5846	6356	8574	9364	19839	22550	23318



Table 2 (cont.)
EMPLOYMENT BY INDUSTRY & SEX
 (thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
(d) MEN'S SHARE OF:										
Total employment
Agriculture...
Mining/quarrying
Manufacturing
Electricity...
Construction
Trade...
Transport...
Finances...
Services...
(d) WOMEN'S SHARE OF:										
Total employment
Agriculture...
Mining/quarrying
Manufacturing
Electricity...
Construction
Trade...
Transport...
Finances...
Services...
(e) SHARE OF EACH INDUSTRY IN TOTAL EMPLOYMENT										
Agriculture...
Mining/quarrying
Manufacturing
Electricity...
Construction
Trade...
Transport...
Finances...
Services...



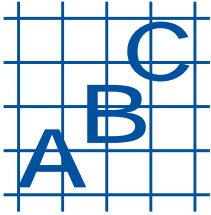
Table 3
EMPLOYMENT BY OCCUPATION AND SEX
(thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
MEN AND WOMEN	99303	100397	80526	80653	83548	89645	95631	109875	114968	117342
Professionals	15968	16420	16951	15873	16458	16885	17275	17772	18495	19195
Technicians/assoc...	11138	11540	11493	10772	11571	12221	12642	13316	14216	14848
Clerks	18473	18564	18446	16395	16722	17309	17745	18256	18264	18416
Serv./Shop...workers	6303	6425	6580	11818	12582	12667	13245	13480	13747	14065
Skilled Agri/fishery	13228	13438	13736	13857	14151	14441	14680	15054	15332	15556
Craft/trades	2741	2749	2723	3700	3600	3470	3444	3507	3437	3421
Plant/Mach, Elementary	31452	31261	10597	8238	8464	12652	16600	28490	31477	31841
MEN	57186	57397	48563	49965	51003	54236	58654	61562	63273	64315
Professionals	8904	9100	9304	8233	8492	8651	8822	8915	9346	9595
Technicians/assoc...	8219	8372	8273	7282	7683	7471	7990	8263	8626	8944
Clerks	3686	5975	10900	11774	12199	12657	12892	9710	8000	8065
Serv./Shop...workers	3450	3509	3595	6201	6550	6579	6862	7015	7025	7124
Skilled Agri/fishery	5036	5097	5234	5530	5545	5695	5775	5924	6056	6164
Craft/trades	2250	2260	2246	3108	3037	2917	2896	2954	2875	2857
Plant/Mach, Elementary	25641	23084	9011	7837	7497	10266	13417	18781	21345	21566
WOMEN	42117	43000	31963	30688	32545	35409	36977	48313	51695	53027
Professionals	7063	7319	7650	7640	7967	8236	8453	8856	9148	9601
Technicians/assoc...	2920	3168	3219	3490	3889	4351	4653	5053	5590	5904
Clerks	14787	12589	7546	4621	4523	4652	4853	8546	10264	10351
Serv./Shop...workers	2853	2916	2985	5617	6032	6088	6383	6465	6722	6941
Skilled Agri/fishery	8193	8342	8502	8326	8607	8747	8905	9130	9275	9391
Craft/trades	492	490	477	592	562	552	548	554	562	565
Plant/Mach, Elementary	5809	8176	1584	402	965	2783	3182	9709	10135	10274



Table 3 (cont.)
EMPLOYMENT BY OCCUPATION AND SEX
 (thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
(d) SHARE OF MEN IN:										
Total employment
Professionals
Technicians/assoc...
Clerks
Serv./Shop...workers
Skilled Agri/fishery
Craft/trades
Plant/Mach, Elementary
(d) SHARE OF WOMEN IN:										
Total employment
Professionals
Technicians/assoc...
Clerks
Serv./Shop...workers
Skilled Agri/fishery
Craft/trades
Plant/Mach, Elementary
(e) SHARE OF EACH OCCUPATION IN TOTAL EMPLOYMENT										
Professionals
Technicians/assoc...
Clerks
Serv./Shop...workers
Skilled Agri/fishery
Craft/trades
Plant/Mach, Elementary



GLOSSARY

CONCEPT:

Concepts are abstract summaries, general notions, knowledge, etc. of a whole set of behaviours, attitudes or characteristics seen as having something in common used to assist in presenting precise meaning, categorizing, or structuring phenomena.

CURRENTLY ACTIVE POPULATION (same as Labour Force):

All persons above a specified minimum age who, during a specified brief period (one day or one week), fulfil the requirements for inclusion among the employed or unemployed.

ECONOMIC ACTIVITY:

The process that results in the production of specified types of goods and services for sale on the market or for own final use or consumption and gross fixed capital formation for own use.

ECONOMICALLY ACTIVE POPULATION (EAP):

All persons of either sex who furnish the supply of labour for the production of economic goods and services as defined by the United Nations System of National Accounts (SNA) during a specified reference period.

EMPLOYMENT:

All persons who, during a specified reference period, performed some work for wage or salary, or profit or family gain, in cash or in kind.

FUTURE STARTS:

Persons without work, who have made arrangements to take up paid employment or undertake self-employment activity at a date subsequent to a specified reference period.

GENDER:

Gender refers to the social differences and relations between men and women that are learned, changeable over time and



have wide variations both within and between cultures - as compared to SEX which refers to the universal, biologically determined difference between men and women, e.g. "Data are disaggregated by sex" (not by gender).

INADEQUATE EMPLOYMENT:

Persons who, during a short reference period, were willing to change their current work situation or to make changes to their work activities and/or environment, for any of a set of reasons, chosen according to national circumstances.

LABOUR FORCE:

Refer to "currently active population".

LABOUR FORCE FRAMEWORK:

Framework composed of three basic categories: "employed", "unemployed" and "not in the labour force" by which persons are to be classified according to their activities, based on rules of priority and the activity principle – what a person was actually doing during a given reference period.

NON-ECONOMIC ACTIVITY:

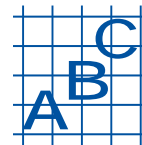
Production for own final use or consumption of items not quantitatively important to total supply, gross fixed capital formation for own household use, volunteer services, domestic or personal services provided by unpaid household members.

PAID EMPLOYMENT:

All persons who, a) during a specified reference period, performed some work for wage or salary, in cash or in kind, or b) have already worked in their present job, but were temporarily not at work during a specified reference period and had a formal attachment to their job.

POPULATION NOT ECONOMICALLY ACTIVE:

All persons, irrespective of age, including those below the age specified for measuring the economically active population who were not economically active.

**POPULATION NOT CURRENTLY ACTIVE****(Persons not in the labour force):**

All persons not employed or unemployed during the brief reference period because of attendance at educational institutions; engagement in household duties; retirement or old age; other reasons such as infirmity or disablement.

POPULATION NOT OF WORKING AGE:

All persons below a specified minimum age and above a specified maximum age.

POPULATION NOT USUALLY ACTIVE:

All persons whose main activity status during the longer specified period was neither employed nor unemployed, comprising: students, homemakers; income recipients; others.

POPULATION OF WORKING AGE:

All persons above a specified minimum age and below a specified maximum age.

SELF-EMPLOYMENT:

All persons who, during a specified reference period, a) performed some work for profit or family gain, in cash or in kind, or b) with an enterprise (which may be a business enterprise, a farm or a service undertaking) who were temporarily not at work during the reference period for any specific reason.

SNA MARKET ACTIVITIES:

Production of goods and services normally intended for sale on the market at a price that is designed to cover their costs of production

SNA NON-MARKET ACTIVITIES:

Production of goods and services for own consumption that are not normally sold on the market.

**SYSTEM OF NATIONAL ACCOUNTS 1993 (SNA):**

Definition of economic activities for the production of goods and services as set forth by the United Nations.

TIME-RELATED UNDEREMPLOYMENT:

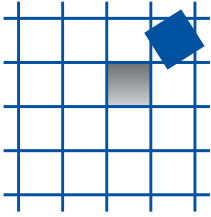
Persons who are willing and able to work beyond the hours worked in all the jobs they hold during a specified reference period and who work, during this period, fewer hours in all their jobs than a selected threshold.

UNEMPLOYMENT:

All persons above the age specified for measuring the EAP, who during a specified reference period were without work, currently available for work and seeking work.

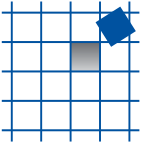
USUALLY ACTIVE POPULATION:

All persons above a specified age whose main activity status, as determined in terms of number of weeks or days during a long specified period (such as the preceding 12 months or the preceding calendar year), was "employed" or "unemployed".



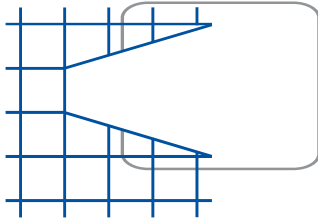
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SLIDES

ANNEX 1

VISUAL AID PRESENTATIONS

**INTERNATIONAL TRAINING COMPENDIUM
ON LABOUR STATISTICS**
A modular training series

Module
1

**Statistics of
Employment,
Unemployment,
Underemployment:
Economically Active
Population**

2

PART 1

**ECONOMICALLY ACTIVE
POPULATION (EAP)**

- EAP - conceptual framework
- Currently active population (labour force)
- Employment
- Unemployment
- Underemployment
- Usually active population

Source: ILO, Statistics of Employment, Unemployment, Underemployment, and Underemployment, 2002-2003

3

**THE ECONOMICALLY
ACTIVE POPULATION**

PURPOSES

- Monitor the economic situation
- Human resources development
- Employment policies
- Income support, social programmes

Source: ILO, Statistics of Employment, Unemployment, Underemployment, and Underemployment, 2002-2003

4

**EAP PROGRAMME
OF STATISTICS**

CURRENT STATISTICS

- Labour force
- Employment, unemployment, underemployment
- Short-term trends
- Seasonal variations

Source: ILO, Statistics of Employment, Unemployment, Underemployment, and Underemployment, 2002-2003

5

EAP PROGRAMME OF STATISTICS

NON-CURRENT STATISTICS

- Labour force - detailed structure
- Activity patterns over the year
- Employment and income relationships
- Topics - children, women, households

6

EAP Definition

- All persons
 - who during a specified time reference period,
 - supply labour
- for production of goods and services,
- as defined by the United Nations systems of national accounts and balances.

7

SNA-93

Production of goods and services

ACTIVITIES

- control/responsibility of institutional units
- use inputs: labour, capital, goods and services
- produce outputs of goods and services

8

NON-PRODUCTIVE ACTIVITIES

EXAMPLES

- purely natural processes
- basic human activities

9

PART 2: CURRENTLY ACTIVE POPULATION

LABOUR FORCE DEFINITION

- all persons
- employed or unemployed
- during short reference period

10

CURRENTLY ACTIVE POPULATION

FEATURES

- exhaustive, mutually exclusive
- priority rules
- activity principle

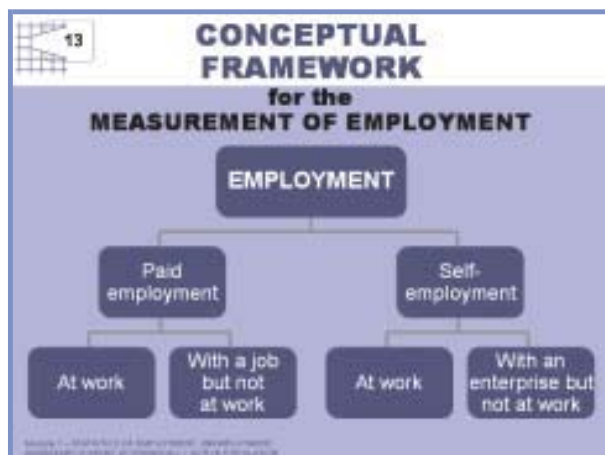
11 REFERENCE PERIOD

Short:
one day or one week → **Labour Force**

Long:
12 months or calendar year → **Usually Active Population**

12 PART 3: EMPLOYMENT

- Measurement of employment
 - Conceptual framework
 - Persons at work
 - One hour criterion
 - Persons with a job/enterprise but not at work
 - Treatment of particular groups



14 PERSONS AT WORK

DEFINITION: *Persons who during the reference period performed some work for wage or salary, or profit or family gain, in cash or in kind*

- **SOME WORK** = Work for at least one hour during the reference period
- **WORK** = Engagement in economic activity (production)

15 Persons with a job but not at work

(Temporary absence from paid employment)

DEFINITION: Persons who

- have already worked in that job,
- were temporarily not at work during the reference period, and
- had a formal job attachment during their absence from work.

16 Persons with a job but not at work

(Temporary absence from paid employment)

REASONS FOR ABSENCE

- illness, injury;
- holiday, vacation;
- strike, lock-out;
- educational, training leave;
- maternity, parental leave;
- reduction in economic activity;
- temporary disorganisation, suspension of work (e.g. bad weather, mechanical/electrical breakdown, shortage of raw materials/fuels);
- other temporary absence with or without leave;

17 **Persons with a job but not at work**
 (Temporary absence from paid employment)

CRITERIA FOR FORMAL JOB ATTACHMENT

- (i) continued receipt of wage or salary;
- (ii) assurance of return to work, or agreement as to date of return;
- (iii) limited duration of absence from job (e.g. duration for which compensation benefits can be received without obligations to accept other jobs).

BORDERLINE SITUATIONS Persons temporarily laid off, persons on long-term maternity or study leave, casual employees, seasonal employees.

18 **Persons with an enterprise but not at work**
 (Temporary absence from paid employment)

DEFINITION: Persons with an enterprise (i.e. business enterprise, farm or service undertaking) who were temporarily not at work during the reference period for any specific reason.

19 **Persons with an enterprise but not at work**
 (Temporary absence from paid employment)

CRITERIA

- (i) Limited duration of absence from work;
- (ii) continued existence of the enterprise during the owner's absence.

BORDERLINE SITUATIONS Casual own-account workers, employers and own-account workers engaged in seasonal activities.

20 **Treatment of Particular Groups**

- Students, homemakers, pensioners engaged in economic activity
- Contributing family workers (unpaid family workers)
- Producers for own and household consumption
- Apprentices and trainees
- Members of the armed forces

21 **Contributing Family Workers**
 (Unpaid Family Workers)

DEFINITION: Workers who hold a self-employment job in a market-oriented establishment operated by a related person (living in the same household), and who cannot be regarded as a partner because their degree of commitment to the operation of the establishment, in terms of working time or other factors to be determined by national circumstances, is not at a level comparable to that of the head of the establishment.

22 **Contributing Family Workers**
 (Unpaid Family Workers)

<p>CFW AT WORK</p> <ul style="list-style-type: none"> ■ Considered as EMPLOYED irrespective of the number of hours worked during the reference period. 	<p>CFW NOT AT WORK</p> <ul style="list-style-type: none"> ■ During the reference period should be considered as NOT EMPLOYED because they have no enterprise of their own.
---	---

23 Producers for Own and Household Consumption

- "IMPORTANT CONTRIBUTION" PROVISION: Persons exclusively engaged in production for own and household consumption, if such production provides an important contribution to total consumption of the household.
- CORRESPONDENCE WITH SNA Treatment of production for own final use.
- PRACTICAL APPLICATION: where information on household consumption is not available, ex ante determinate types of activity to include; adhere to national accounting practices; collect information on number of hours spent on the activities.

24 APPRENTICES
Classification into Labour Force Categories

APPRENTICES

- Paid**
 - At work (E)
 - With formal job attachment (E)
 - With formal job attachment (U)
 - Not at work (N)
 - At work (E)
 - Not at work (U)
- Unpaid**
 - Enterprise operated by a related person living in the same household (E)
 - At work (E)
 - Not at work (U)
 - Enterprise not operated by a related person living in the same household (U)
 - Contribution to production of goods and services (E)
 - At work (E)
 - With formal job attachment (E)
 - No contribution to production of goods and services (U)
 - With no formal job attachment (U)

E Employed
U Unemployed
N Not in the labour force

25 PARTICIPANTS IN TRAINING SCHEMES
Classification into Labour Force Categories

TRAINING SCHEME PARTICIPANTS

- Training within context of an enterprise (E)**
 - Employed before training period
 - Formal job attachment maintained (E)
 - Available for work (E)
 - Not available for work (N)
 - Formal job attachment not maintained (U)
 - Available for work (E)
 - Not available for work (N)
 - Not employed before training period
 - No definite commitment to employment at the end of training (N)
 - Available for work (U)
 - Not available for work (N)
 - Definite commitment to employment at the end of training (U)
 - Available for work (U)
 - Not available for work (N)

E Employed
U Unemployed
N Not in the labour force

26 Members of the Armed Forces

- Should be included among the EMPLOYED
- DEFINITION according to ISCO-88.
- INCLUDED: Regular members of the army, navy, air force and other military services; conscripts enrolled for military training or other service for a specified period, depending on national requirements. (Note: Includes civilian services as an alternative to compulsory military service.)
- EXCLUDED: Persons temporarily withdrawn from civilian life for a short period of military (re)training; members of military reserves not currently on active service. (Note: May be considered as employed on the basis of a job from which they were withdrawn or at which they worked during the reference period.)

27 Women on maternity leave
Classification into Labour Force Categories

Assurance or a return to work

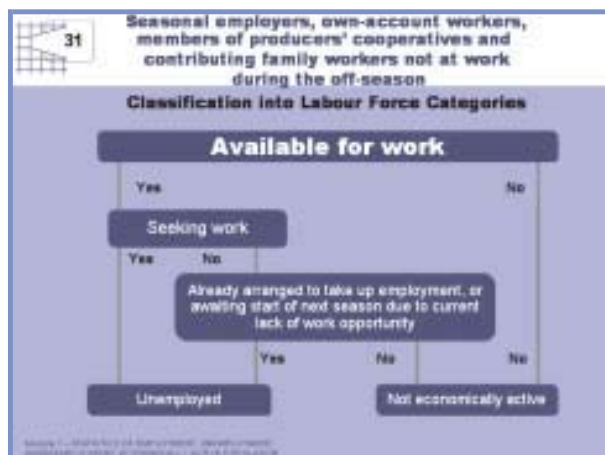
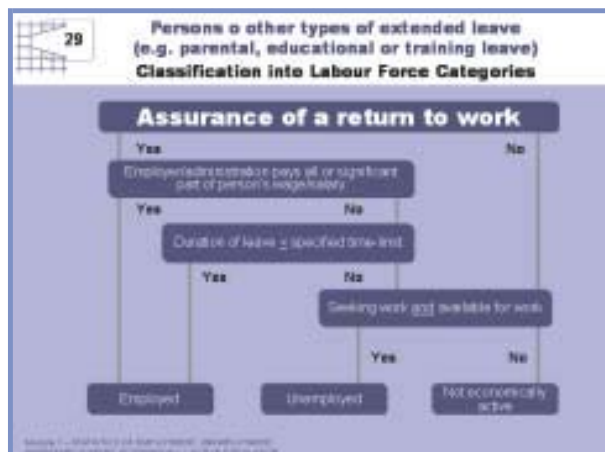
- Yes: In receipt of compulsory (or part from employer, or equivalent) payment from other source received as an employee.
 - Yes: During compulsory period of leave, or specified period.
 - Yes: Employed
 - No: Seeking job available for work.
 - Yes: Unemployed
 - No: Not economically active
- No: Not economically active

28 Persons on unpaid leave* initiated by the employer/administration
Classification into Labour Force Categories

Agreed date for return to work

- Yes: Dependent duration of leave specified (Yes/No) and Expectations of returning to work in near future (Yes/No).
 - Yes: Available for work.
 - No: Seeking work.
 - No: Not economically active
 - Yes: Unemployed
 - Yes: Employed
 - No: Available for work.
 - Yes: Seeking work.
 - Yes: Unemployed
 - No: Not economically active
 - No: Not economically active

*Including leave paid by government or social security funds.



- 32** **One Hour Criterion**
- REASONS**
- Coverage of all types of employment including short-time work, casual work, etc.
 - Coherence between production and employment statistics: measurement of total production and total labour inputs
 - Application of priority rules of labour force framework
 - Definition of unemployment as situation of total lack of work

- 33** **One Hour Criterion**
- | | |
|---|---|
| <p>IMPLICATIONS</p> <ul style="list-style-type: none"> ■ Need for data collection on hours of work, underemployment, etc. | <p>ALTERNATIVES</p> <ul style="list-style-type: none"> ■ Majority criterion ■ One day criterion ■ X-hours criterion |
|---|---|

- 34** **PART 4: UNEMPLOYMENT**
- **Standard definition**
 - Criteria
 - Reference periods
 - Active search for work
 - **Relaxation of the seeking work criterion**
 - Conditions
 - Partial relaxation
 - Tests of availability for work
 - **Treatment of particular groups**

35 Standard Definition of UNEMPLOYMENT

Three Criteria

- **WITHOUT WORK:** not in paid employment or self-employment during reference period
- **CURRENTLY AVAILABLE FOR WORK:** available for paid employment or self-employment during reference period
- **SEEKING WORK:** specific steps taken in a specified recent period to seek paid employment or self-employment

36 Reference Periods

The diagram illustrates the timing of these periods relative to a vertical line representing the 'Reference date'. The 'Reference period (one week or one day)' is a shaded box centered on the reference date. The 'Job search period' is a horizontal line extending to the left of the reference period. The 'Availability period' is a horizontal line extending to the right of the reference period.

37 "Future Starts" - Non-application of the SEEKING WORK CRITERION

- Persons **WITHOUT WORK** who have already made arrangements to take up paid employment or to undertake self-employment activity at a date subsequent to the reference period, if **CURRENTLY AVAILABLE FOR WORK**, are to be considered as unemployed, whether or not they continue to seek work.
- Desirability of specifying time limit

38 Examples of Active Steps to Seek Work

- Registration at a public or private employment exchange (for the purpose of obtaining a job offer)
- Application to employers
- Checking at worksites, farms, factory gates, market or other assembly places
- Placing or answering newspaper advertisements
- Seeking assistance of friends or relatives
- Looking for land, building, machinery or equipment to establish own enterprise
- Arranging for financial resources
- Applying for permits and licenses, etc.

39 Search for Self-Employment (SE)

- Problem of distinction between activities of seeking SE and SE activities themselves (ex.: looking for clients or orders, advertising goods or services produced).
- Particular situation: Establishment of new enterprises (ex.: buying initial stock or necessary equipment for opening a shop)
- Distinction to be based on point when enterprise starts to exist formally (e.g. registration). Activities before registration of the enterprise = seeking SE; activities after registration of the enterprise = SE itself.
- Where enterprises are not necessarily required to register in order to operate, dividing line should be drawn at point when enterprise is ready to receive first order, financial resources have become available, or necessary infrastructure is in place.

40 Relaxed Definition of UNEMPLOYMENT

- Conditions for relaxation of the seeking work criterion:
 - conventional means of seeking work are of limited relevance;
 - labour market is largely unorganised or of limited scope;
 - labour absorption is at the time inadequate;
 - labour force is largely self-employed.
- Complete vs. partial relaxation of the seeking work criterion

41 Partial Relaxation of the Seeking Work Criterion

Examples :

- Persons temporarily laid off without formal job attachment
- Discouraged workers
- Seasonal workers awaiting the busy season

42 Persons temporarily laid off

Classification into labour force categories

PERSONS TEMPORARILY LAID OFF

```

    graph TD
      Root[PERSONS TEMPORARILY LAID OFF] --> A[With formal job attachment]
      Root --> B[With no formal job attachment]
      A --> C[Available for work]
      A --> D[Not available for work]
      B --> D
      C --> E[Seeking work]
      C --> F[Not seeking work]
      E --> G[U]
      F --> H[U]
      D --> I[N]
      D --> J[N]
  
```

E Employed
 U Unemployed (standard definition)
 N Not in the labour force
 (U) Unemployed (relaxed definition)

43 Reasons for Not Seeking Work

- illness, disability, pregnancy
- Child care, family responsibilities
- in school or other training
- Already found work to start later
- Awaiting recall to former job
- Awaiting replies from employers, results of competitions
- Awaiting busy season
- Believes no suitable work available (in area or relevant to one's skills)
- Lacks employers' requirements (qualifications, experience, age, etc.)
- Could not find suitable work
- Does not know how or where to seek work
- Not yet started to seek work
- Other reason (bad weather, holidays, awaiting national service call, near retirement age, etc.)

44 Current Availability for Work

- Application of the criterion under relaxation of the seeking work criterion
- Need for tests of availability, based on notions such as
 - present desire for work and previous work experience,
 - willingness to take up work for wage or salary on locally prevailing terms (remuneration, working time, location, occupation, etc.),
 - readiness to undertake self-employment activity if the necessary resources and facilities are given.

45 Treatment of Other Particular Groups

- Students, homemakers, pensioners seeking and/or available for work
- Persons seeking apprenticeship
- Participants in employment training schemes

46 PART: 5 UNDEREMPLOYMENT

- The need for statistics on underemployment
- characteristics of underemployment
- underemployment and the labour force framework
- underemployment in the ICLS
- current international definitions (16th ICLS)
- time-related Underemployment and related statistics
- inadequate Employment situations: particular types
- classification in Underemployment

47 **The Problem**

UNEMPLOYMENT STATISTICS ARE INSUFFICIENT

- Lack of unemployment relief programmes
- Persons in self-employment jobs
- Traditional work arrangements
- Structural adjustments
- Reduction in demand for labour

48 **The Problem**

EMPLOYMENT POLICY CONVENTION (N. 122) AND RECOMMENDATIONS (N.122, 169):
promotion of "full, productive and freely chosen employment"

- Work for all who are available for and seeking work
- Work which is as productive as possible
- Work freely chosen by workers in accordance with skills and endowments for a job which is well suited
- Need for statistics on employment, unemployment and underemployment

49 **UNDEREMPLOYMENT**

- Complements statistics of employment and unemployment
- Is part of and consistent with the **LABOUR FORCE FRAMEWORK**
 - Uses "labour supply" approach based on actual capacities and desires of workers, as expressed by workers
 - Not based on theoretical models about the potential capacities and desires of workers
- Affects persons in employment
- Reflects the underutilisation of productive capacity of workers

50 **Underemployment in the Labour Force Framework**

	WILLING AND ABLE	NOT WILLING OR NOT ABLE
WORKING	UNDEREMPLOYED	EMPLOYED
NOT WORKING	UNEMPLOYED	INACTIVE

51 **Underemployment in the ICLS**

- Together with employment and unemployment
 - 6th ICLS (1947)
 - 8th ICLS (1954)
 - 13th ICLS (1982)
- As a subject of its own
 - 9th ICLS (1957)
 - 11th ICLS (1966)
 - 16th ICLS (1998)

52 **Current International Definitions (16th ICLS)**

GENERAL DEFINITION :

- underutilisation of the productive capacity of the employed population
- in relation to an alternative employment situation
- in which persons are willing and able to engage

TIME-RELATED UNDEREMPLOYMENT:

- when hours of work are insufficient
- in relation to an alternative employment situation

INADEQUATE EMPLOYMENT SITUATIONS :

- when capacities and well being of workers are affected
- in relation to an alternative employment situation
- in areas such as: mismatch of occupational skills, income, excessive hours, precarious job, etc.

53 Time-related Underemployment

WILLING TO WORK ADDITIONAL HOURS :

- wants another job (or jobs)... in addition/as replacement
- wants more hours in the same job
- has actively sought to work additional hours

AVAILABLE TO WORK ADDITIONAL HOURS :

- is ready to work additional hours
- within a specified subsequent period
- given opportunities to work additional hours

WORKED LESS THAN A THRESHOLD RELATING TO WORKING TIME :

- hours actually worked in all jobs are below threshold
- threshold: boundary between full-time and part-time work/median values, averages or legal norms.

54 Related Statistics

USUAL AND RECENT TIME-RELATED UNDEREMPLOYMENT:

- persons who usually work part-time as compared to persons who worked few hours only during the reference period

VOLUME OF TIME-RELATED UNDEREMPLOYMENT:

- additional time that persons are willing to work up to the chosen threshold

INDICATORS :

- ratio between time-related underemployed population and employed population (or economically active population)
- ration between volume of time-related underemployment and the potential time for work (hours actually worked plus volume of time-related underemployment)

55 Related Statistics

DURATION OF TIME-RELATED UNDEREMPLOYMENT :

- number of days/weeks/months/years that persons have been continuously in time-related underemployment.
- number of days/weeks of time-related underemployment over the year

REASONS FOR MULTIPLE JOB HOLDING :

- to indicate whether time-related underemployment is the cause of multiple job holding

CLASSIFICATIONS: by sex and

- age and education level
- branch of economic activity
- occupational group
- institutional sector (including the informal sector)
- status in employment category
- presence of young children and of adults requiring care
- component groups

56 Inadequate Employment Situations

WILLING TO:

- change their current work situation
- make changes to their work activities and/or environment

FOR SPECIFIC REASONS:

- inadequate use and mismatch of occupational skills
- inadequate income in current job(s)
- excessive hours of work
- precarious job(s)
- inadequate social services
- travel to work difficulties
- variable, arbitrary or inconvenient work schedules

AVAILABLE :

- to change their current work situation –optional

SEEKING :

- to change their current work situation –optional

57 Particular Types of Inadequate Employment

SKILL-RELATED INADEQUATE EMPLOYMENT

- willing to change their current work situation
- to use current occupational skills more fully
- available to do so

58 Particular Types of Inadequate Employment

INCOME-RELATED INADEQUATE EMPLOYMENT

- willing to change their current work situation
- to increase income (by increasing the levels of organisation of work or productivity, improving tools and equipment and training or infrastructure)
- available to do so
- threshold is optional

59 Particular Types of Inadequate Employment

- **INADEQUATE EMPLOYMENT RELATED TO EXCESSIVE HOURS**
 - willing to work less hours than currently (in the same job or in another job)
 - with corresponding reduction of income
 - threshold is optional

60 Classification in Underemployment and Inadequate Employment Situations

61 PART 6: Usually Active Population

- **Usually active population**
 - Importance of the concept
 - Definition
 - Possibilities and limitations
 - Measurement framework
 - Determination of the main activity status
 - Cross-classification by current activity status
- **Population not usually active**

62 Usually Active Population

Importance of the Concept

- Current activity measurement provides snapshot picture, which may not be representative of other points of time during the year
- Two possibilities to obtain information covering a longer period.
 - repeated or staggered current activity measurement through increased frequency of surveys (e.g. quarterly, monthly) or spreading of samples over time;
 - use longer period itself as reference period for measurement (= measurement framework of the "usually active population")

63 Usually Active Population

Definition:

- All persons above a specified age whose **MAIN ACTIVITY STATUS**, determined in terms of number of weeks or days during a **LONG** specified **REFERENCE PERIOD** (such as the preceding 12 months or the preceding calendar year), was employed or unemployed
- The usually active population may be subdivided as employed and unemployed in accordance with the main activity.

64 Usually Active Population

Framework for Measurement

85 Usually Active Population

Possibilities and Limitations of Measurement

- Possibilities
 - Measures dominant aspect of activity
 - Takes seasonal factors into consideration
 - Takes account of labour market flows
 - Costs are relatively low
- Limitations
 - Problems of retrospective questioning
 - Problems of interpretation/accuracy of measurement
 - employment and unemployment
 - Pattern of seasonal variations may not be revealed

86 Determination of the main activity status during the year

Three examples based on the majority criterion

Example	Labour force experience during the year		Main activity status during the year
	Usually active status	Number of weeks	
1	Employed Unemployed Not active	45 0 7 (52)	Usually active, employed
2	Employed Unemployed Not active	5 10 37 (52)	Not usually active
3	Employed Unemployed Not active	45 0 7 (52)	Usually active, unemployed

87 Usual Activity Framework

Classification Scheme

Labour force experience during the year		Usual activity status
always E		active, employed
always U		active, unemployed
always N		not active
E - U	E > U	active, employed
	E < U	active, unemployed
E - N	E > N	active, employed
	E < N	not active
U - N	U > N	active, unemployed
	U < N	not active
E - U - N	E > U - N	active, employed
	E < U - N	active, unemployed
	E - U < N	not active

E = employed, **U** = unemployed, **N** = not active.
 NOTE: The symbol **E - U** means that the individual experienced both employment during the year and that no part of economic year; correspondingly headings should be attached to **E - N, U - N** and **E - U - N**.

88 Classification by Functional Categories

Population not Usually Active

- Students
- Homemakers
- Income recipients (pensioners, rentiers, etc.)
- Others (recipients of public aid or private support, children not attending school, etc.)

89 Main Activity Status

Elements for Determination

- Reference period
 - Duration
 - Nature (last calendar year or preceding 12 months)
 - Character (fixed or moving)
- Main activity
 - Employment and unemployment
 - Measurement in number of weeks or days
- Minimum duration of economic activity
 - Majority criterion (status prevailing over most of the 52 weeks or 365 days of the reference year)
 - X-weeks or x-days criterion (another specific number of weeks or days set as cut-off)

70 Determination of the Main Activity Status

Weeks or days as unit of measurement

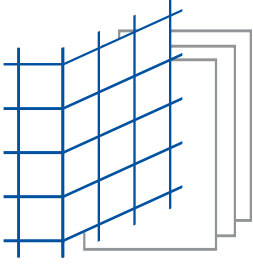
- Main activity status may be substantially different depending on whether it is based on weeks or days as measurement unit.
- Example: Person working one day per week throughout the year and not available for work during the rest of the time; weeks: usually active; days: not usually active.
- Where employment is mostly of a regular and continuing nature and where a week of employment means generally a week of full-time employment or of employment for a major part of the working time, the main activity status can be based on weeks. Otherwise, it would better be based on days.

71 Cross-classification by usual activity status and current activity status

Usual activity	Currently employed	Currently unemployed	Currently not active
Employed			
Unemployed			
Student			
Homemaker			
Pensioner			
Other			

- 72 Recall Errors due to Memory Lapses**
- Types of recall errors
 - Omission of events
 - Misreporting of the timing or duration of events (telescoping)
 - Effects on the measurement of employment and unemployment
 - Absence of events: without effect (e.g. employment without interruption, continuous inactivity)
 - Existence of events: with effects (e.g. job changes, periods of unemployment, irregular employment)

- 73 Methods of Retrospective Measurement of the Usually Active Population**
- Direct inquiry on main activity status during the reference year;
 - Whole-year recall: inquiry on the total number of weeks or days of employment or unemployment during the reference year;
 - Month-by-month recall: inquiry on the number of half-months, weeks or days of employment or unemployment for each month of the reference year;
 - Job-specific approach: inquiry on jobs held with different employers during the reference year, duration of the jobs and activities during periods of work interruption.



ANNEX

ANNEX 2: KEY TO PRACTICAL ASSIGNMENTS

KEY to Case study N° 1 THE BOAFOS: A RURAL FAMILY

Classification exercise

1. **MERET**

(Current activity status: Employed, at work.
Usual activity status: Employed or relaxed unemployed.)

2. **YUSIF**

(Current: Employed, at work. Usual: Employed or relaxed unemployed.)

3. **ALEX**

(Current: Employed, at work. Usual: Inactive.)

4. **REGIS**

(Current: Employed - multiple-job-holder, absent from 1st job, at work in 2nd job. Usual: Employed.)

5. **FATIMA**

(Current: Employed, at work; inadequate employment.
Usual: Employed.)

6. **THE HELPER**

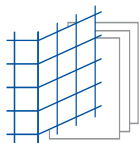
(Current: Employed, at work. Usual: Inactive.)

7. **AFZAL**

(Current: Employed in self-employment, absent from work.
Usual: Employed.)

8. **SOFIA**

(Current and Usual: Inactive.)



KEY to Case study N° 2 TCHORNIY: A Large industrial town

Classification exercise

1. **SVETLANA**

(Current: Employed, at work. Usual: Employed.)

2. **ALLA**

(Current: Employed, at work, inadequate employment.
Usual: Unemployed.)

3. **VLADIMIR**

(Current: Employed, not at work, inadequate employment.
Usual: Employed.)

4. **MARINA**

(Current: Unemployed. Usual: Inactive.)

5. **VADIM**

(Current: Inactive. Usual: Employed.)

6. **NILA**

(Current: Inactive. Usual: Inactive.)

7. **TATIANA**

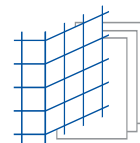
(Current: Inactive or relaxed unemployed. Usual: Unemployed.)

8. **MIKAEL**

(Current: Employed, at work, not underemployed.
Usual: Employed.)

9. **MILENA**

(Current: Employed, at work, not underemployed. Usual: Inactive.)



10. MACIEJ

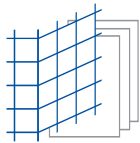
(**Current:** Inactive. **Usual:** Employed.)

11. NINA

(**Current:** Employed, at work. **Usual:** Employed.)

12. IGOR

(**Current:** Unemployed. **Usual:** Employed.)



KEY to Case study N° 3 MANUBA

Data analysis exercise

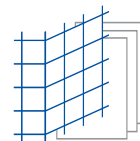


Table 1
STATISTICS OF THE ECONOMICALLY ACTIVE POPULATION
(thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL										
Total Population	225612	229307	231531	233981	236158	238739	241079	243401	245807	244960
EAP *	106940	108670	91204	91370	92087	97957	103868	117300	121669	123870
Employment	99303	100397	80526	80653	83548	89645	95631	109875	114968	117342
Unemployment	7637	8273	10678	10717	8539	8312	8237	7425	6701	6528
(a) Activity rate	47.4	47.4	39.4	39.1	39.0	41.0	43.1	48.2	49.5	50.6
(b) Unemployment rate	7.1	7.6	11.7	11.7	9.3	8.5	7.9	6.3	5.5	5.3
MEN										
Total Population	110886	111424	112499	113714	114766	116161	117362	118532	119738	119301
EAP *	61453	61974	54742	56225	55747	58757	63184	65663	66928	67840
Employment	57186	57397	48563	49965	51003	54236	58654	61562	63273	64315
Unemployment	4267	4577	6179	6260	4744	4521	4530	4101	3655	3525
(a) Activity rate	55.4	55.6	48.7	49.4	48.6	50.6	53.8	55.4	55.9	56.9
(b) Unemployment rate	6.9	7.4	11.3	11.1	8.5	7.7	7.2	6.2	5.5	5.2
WOMEN										
Total Population	114726	117884	119034	120267	121393	122579	123719	124871	126070	125659
EAP *	45487	46696	36462	35145	36339	39200	40684	51637	54741	56030
Employment	42117	43000	31963	30688	32545	35409	36977	48313	51695	53027
Unemployment	3370	3696	4499	4457	3794	3791	3707	3324	3046	3003
(a) Activity rate	39.6	39.6	30.6	29.2	29.9	32.0	32.9	41.4	43.4	44.6
(b) Unemployment rate	2.9	3.1	3.8	3.7	3.1	3.1	3.0	2.7	2.4	2.4
(c) RATIO MEN/WOMEN:										
in the total pop.	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
in the EAP	1.4	1.3	1.5	1.6	1.5	1.5	1.6	1.3	1.2	1.2
in employment	1.4	1.3	1.5	1.6	1.6	1.5	1.6	1.3	1.2	1.2
in unemployment	1.3	1.2	1.4	1.4	1.3	1.2	1.2	1.2	1.2	1.2

* Civilian labour force employed, 16 years and above

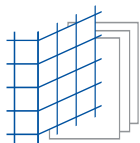


Table 2 (Results)
EMPLOYMENT BY INDUSTRY & SEX
 (thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
(d) MEN'S SHARE OF:										
Total employment	57.6	57.2	60.3	62.0	61.0	60.5	61.3	56.0	55.0	54.8
Agriculture...	80.5	80.3	80.5	80.1	80.5	79.9	79.5	79.3	78.7	78.6
Mining/quarrying	86.3	84.9	84.0	82.6	82.9	84.7	83.6	85.0	83.1	83.7
Manufacturing	68.5	68.3	67.7	67.5	67.4	67.7	67.9	67.2	67.1	67.3
Electricity...	82.1	81.3	82.1	82.4	82.1	81.6	80.4	80.9	81.2	80.5
Construction	92.0	91.8	91.5	91.7	91.6	91.2	91.4	91.1	90.7	91.0
Trade...	53.7	53.1	52.9	53.0	52.6	52.7	52.6	52.6	52.6	52.8
Transport...	72.8	71.3	71.3	72.4	72.1	71.0	70.8	71.2	70.6	69.6
Finances...	45.5	45.5	46.8	46.2	45.8	44.9	44.5	44.7	44.9	44.5
Services...	41.9	41.9	42.7	52.2	45.9	48.5	55.4	40.8	39.5	39.1
(d) WOMEN'S SHARE OF:										
Total employment	42.4	42.8	39.7	38.0	39.0	39.5	38.7	44.0	45.0	45.2
Agriculture...	19.5	19.7	19.4	19.9	19.5	20.1	20.5	20.7	21.3	21.5
Mining/quarrying	13.7	15.1	16.0	17.5	17.2	15.3	16.3	15.0	16.9	16.3
Manufacturing	31.5	31.7	32.3	32.5	32.6	32.3	32.1	32.8	32.9	32.7
Electricity...	17.9	18.7	17.9	17.5	17.9	18.4	19.6	19.1	18.9	19.5
Construction	8.0	8.2	8.5	8.3	8.4	8.8	8.6	8.9	9.3	8.9
Trade...	46.3	46.9	47.1	47.0	47.4	47.3	47.4	47.4	47.4	47.2
Transport...	27.2	28.7	28.7	27.7	27.9	29.0	29.2	28.8	29.4	30.4
Finances...	54.5	54.5	53.2	53.8	54.2	55.1	55.5	55.3	55.1	55.5
Services...	58.1	58.1	57.3	47.8	54.1	51.5	44.6	59.2	60.5	60.9
(e) SHARE OF EACH INDUSTRY IN TOTAL EMPLOYMENT										
Agriculture...	3.6	3.5	4.4	4.4	4.2	3.7	3.5	3.1	2.9	2.9
Mining/quarrying	1.0	1.1	1.3	1.1	1.1	1.0	0.9	0.7	0.7	0.6
Manufacturing	22.1	21.7	25.2	24.7	25.1	23.3	21.9	19.1	18.5	18.5
Electricity...	1.4	1.4	1.8	1.8	1.8	1.7	1.5	1.4	1.3	1.3
Construction	6.3	6.0	7.1	7.6	8.0	7.8	7.6	6.8	6.6	6.5
Trade...	20.3	20.4	25.8	26.2	26.3	24.9	23.9	21.3	20.6	20.6
Transport...	5.2	5.2	6.4	6.8	7.0	6.8	6.5	5.8	5.7	5.6
Finances...	8.4	8.6	11.3	12.1	12.4	12.3	12.2	11.3	11.3	11.3
Services...	31.8	31.9	16.8	15.2	14.1	18.6	21.9	30.5	32.4	32.6

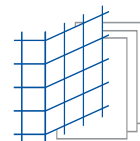


Table 3 (Results)
EMPLOYMENT BY OCCUPATION AND SEX
 (thousands)

Manuba	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
(d) SHARE OF MEN IN:										
Total employment	57.6	57.2	60.3	62.0	61.0	60.5	61.3	56.0	55.0	54.8
Professionals	55.8	55.4	54.9	51.9	51.6	51.2	51.1	50.2	50.5	50.0
Technicians/assoc...	73.8	72.5	72.0	67.6	66.4	61.1	63.2	62.1	60.7	60.2
Clerks	20.0	32.2	59.1	71.8	73.0	73.1	72.7	53.2	43.8	43.8
Serv./Shop...workers	54.7	54.6	54.6	52.5	52.1	51.9	51.8	52.0	51.1	50.7
Skilled Agri/fishery	38.1	37.9	38.1	39.9	39.2	39.4	39.3	39.4	39.5	39.6
Craft/trades	82.1	82.2	82.5	84.0	84.4	84.1	84.1	84.2	83.6	83.5
Plant/Mach, Elementary	81.5	73.8	85.0	95.1	88.6	81.1	80.8	65.9	67.8	67.7
(d) SHARE OF WOMEN IN:										
Total employment	42.4	42.8	39.7	38.0	39.0	39.5	38.7	44.0	45.0	45.2
Professionals	44.2	44.6	45.1	48.1	48.4	48.8	48.9	49.8	49.5	50.0
Technicians/assoc...	26.2	27.5	28.0	32.4	33.6	35.6	36.8	37.9	39.3	39.8
Clerks	80.0	67.8	40.9	28.2	27.0	26.9	27.3	46.8	56.2	56.2
Serv./Shop...workers	45.3	45.4	45.4	47.5	47.9	48.1	48.2	48.0	48.9	49.3
Skilled Agri/fishery	61.9	62.1	61.9	60.1	60.8	60.6	60.7	60.6	60.5	60.4
Craft/trades	17.9	17.8	17.5	16.0	15.6	15.9	15.9	15.8	16.4	16.5
Plant/Mach, Elementary	18.5	26.2	14.9	4.9	11.4	22.0	19.2	34.1	32.2	32.3
(e) SHARE OF EACH OCCUPATION IN TOTAL EMPLOYMENT										
Total employment	16.1	16.4	21.1	19.7	19.7	18.8	18.1	16.2	16.1	16.4
Professionals	11.2	11.5	14.3	13.4	13.8	13.6	13.2	12.1	12.4	12.7
Technicians/assoc...	18.6	18.5	22.9	20.3	20.0	19.3	18.6	16.6	15.9	15.7
Clerks	6.3	6.4	8.2	14.7	15.1	14.1	13.9	12.3	12.0	12.0
Serv./Shop...workers	13.3	13.4	17.1	17.2	16.9	16.1	15.4	13.7	13.3	13.3
Skilled Agri/fishery	2.8	2.7	3.4	4.6	4.3	3.9	3.6	3.2	3.0	2.9
Craft/trades	31.7	31.1	13.2	10.2	10.1	14.1	17.4	25.9	27.4	27.1
Plant/Mach, Elementary										

