Background and Overview: ILO Pilot LFS Studies

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Training of Trainers, ILO Pilot LFS Studies
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Contents

• New resolution on statistics of work, employment and labour underutilization

• Objectives, scope of new resolution

• New Forms of work framework and Labour underutilization measures

• ILO pilot studies overview
Resolution concerning statistics of Work, Employment & Labour underutilization

• Adopted by 19th ICLS in October 2013
• Updates previous standards on
  – Statistics of the economically active population, employment, unemployment and underemployment (13th ICLS, 1982)
• Sets new framework for work and labour market statistics
• Developed through wide consultation (2008-2013)
• Builds on accumulated good practice
• Promotes progressive implementation
• Enables reconstruction of existing series
• Promotes greater international comparability


Why the need for revision?
18th ICLS and UNSC, 39th session (2008)

• Recognize and provide framework for measurement of all work, paid and unpaid (employment definition too broad)
• In response to calls to address limitations of unemployment statistics (2003 job crisis; 2008 financial crisis)
• Provide measures of labour underutilization, beyond unemployment
• Facilitate integration of labour statistics with other domains
• Respond to emerging social and economic information needs (labour market dynamics, job creation, household livelihoods, well-being, beyond GDP indicators, ...)

ILO Department of Statistics
Objectives, scope of new standards

Objectives of Work & LF statistics
As per new standards

• **Describe and monitor labour markets**
  – Participation in work for pay or profit, characteristics, working conditions
  – Extent of labour market access and integration

• **Measure & participation in all forms of work (paid & unpaid)**
  – Contribution to economy (national accounts / satellite accounts)
  – Contribution to household livelihoods and wellbeing

• **Assess differences in participation**
  – Urban / rural, women / men, youth / adults, etc.
Scope of new standards (I)

Concepts, definitions

• 1st international statistical definition of “work”
  – Recognizes ALL productive activities, paid and unpaid, as work

• Forms of Work framework
  – Employment definition refined as as “work for pay or profit”
  – Other forms of work (unpaid) recognized for separate measurement:
    Own-use production work, Volunteer work, Unpaid trainee work

• Measures of labour underutilization beyond unemployment
  – Focus on insufficient quantity of work for pay/profit
  – To capture broader groups with unmet need for employment

Scope of new standards (II)

Indicators highlighted as part of minimum set

• Labour underutilization (LU1-LU4)
  – As headline measures together with unemployment

• Informality, job search among employed, inadequate employment due to skills, income, …
  – For wider labour market monitoring

• % Subsistence foodstuff producers
  – To monitor extent, trends & highlight for policy
  – To assess issues with labour market integration

• Low pay, working poor
  – To assess links between employment & poverty

• Headline measures for other forms of work
  – Participation and volume (time worked)
Scope of new standards (III)
Operational & implementation guidance

– Data collection programmes
  • Population and geographic coverage, Age limits
  • Sources, frequency of collection, periodicity of reporting
– Classifications of the population
  • Working age population by labour force status / by main form of work
  • Population outside labour force by labour market attachment / by main situation
– Tabulation and analysis
  • Minimum set as per main uses
– Data quality & communication
  • Principles of official statistics, good practices in dissemination
  • Phased implementation of new standards, with publication of parallel series
– International reporting
  • Minimum data and metadata requirements

New and updated concepts:
-Forms of work framework
-Employment, unemployment & labour force
-Labour underutilization
Work
1st international statistical definition (I)

“Any activity performed by persons of any sex and age to produce goods or provide services for use by others or for own use”

Para 6, Resol I. (19th ICLS, 2013)

Recognizes all productive activities as work
Irrespective of formal, informal nature or legality of activity
Concept for reference purposes

“Work” and the System of National Accounts (SNA)

Activities

Non-productive activities
- Sleeping
- Learning
- Own-recreation
- Begging
- Stealing

Productive activities
- Households (producing for own final use)
- Non-market units (Government, Non-profit institutions)
- Market units (Incorporated, unincorporated)

New concept of “Work” == productive activities

Previous activity scope for “employment”

General production boundary
SNA production boundary
Forms of work framework (1)

- A classification of productive activities (not people!)
- Distinguishes different “types” of work (i.e. productive activities)
  - Main intended destination of production (own final use / use by others)
  - Type of transaction (for remuneration / without remuneration)
- Enables their separate measurement in full
- Supports more targeted monitoring to inform policymaking
- Permits coherence with national accounts
  - National production & satellite accounts

Forms of Work Framework (2):
By main intended destination & transaction type

Work (i.e. ALL activities to produce goods and services)

For own final use (by households)

- Own-use production work

For use by others (i.e. other units)

- For remuneration (i.e. for pay or profit)
  - Employment (work for pay or profit)
  - Unpaid trainee work
  - Other work activities (e.g. unpaid compulsory work)
- Without remuneration
  - Volunteer work

Reference concept for Labour Force statistics

SNA labour input
### Forms of work (3): Basic concepts

- **Own-use production work**
  - Activities to produce goods & services mainly for own final use by household/family

- **Employment work**
  - Activities to produce goods & services [for others in exchange] for pay or profit

- **Unpaid trainee work**
  - Activities to produce goods & services for others performed without pay in order to acquire workplace experience or skills

- **Volunteer work**
  - Non-compulsory activities performed without pay to produce goods and services for others

- **Other work activities**
  - E.g. Compulsory activities performed without pay to produce goods & services for others

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### Employment & unemployment statistics as per previous standards....

Above *minimum age* ...:

<table>
<thead>
<tr>
<th>ALL who work for pay</th>
<th>-Provide services for own final use</th>
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<tbody>
<tr>
<td>ALL who work for profit</td>
<td>-Volunteer providing services for households</td>
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<tr>
<td>ALL who produce goods for own final use</td>
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<tr>
<td>ALL who work for training</td>
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<tr>
<td>ALL who volunteer for organizations</td>
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<tr>
<td>Who volunteer to produce goods for households</td>
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</table>

ALL OTHERS, whether or not:

- "Not employed"
- Seeking work and/or available for work

**Employed**

**Unemployed**

**Inactive**

**Currently active pop. (employed + unemployed)**
**Employment & Unemployment as per the NEW standards...**

**Above minimum age ...:**

- ALL who work for pay
- ALL who work for profit
  - Employers
  - Own account workers in market units
  - Contributing family workers
  - Members of market producer cooperatives

**Persons in employment**

- (work for pay / profit)

**Labour force**

**Underutilized labour**

- (with unmet need for employment (for pay/profit))

**Unemployed**

**Outside the labour force**

**ALL OTHERS > age, whether or not:**

- Provide services for own final use
- Volunteer providing services for households
- Work unpaid for training
- Produce goods for own final use
- Volunteer through / for organizations

**Volunteer producing goods for households**

**Without employment (for pay/profit)**

**Seeking and available for work for pay/profit**

**Yes**

**No**

**Changes in terminology**

- **Labour force = Employed + Unemployed**
  
  - (for pay / profit)
  - (without employment + seeking + available)

- No longer “economically / currently active population”

- **Outside labour force**

- No longer “economically inactive population”

- No longer includes population below minimum age

- ALL forms of work are productive & contribute to the economy
- Persons outside labour force may be engaged in other forms of work
- Children may be engaged in work, including in child labour
Labour force & labour underutilization
Improved labour market monitoring across contexts

Labour force
- Employed (for pay/profit)
- Unemployed
- Time-related underemployed

Outside the labour force
- Potential Labour Force
  - seeking, not available
  - available, not seeking

Labour underutilization (unmet need for employment)

Labour underutilization: Scope

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

Para 40, Resol I. (19th ICLS, 2013)

- In reference to employment (work for pay or profit)
- Identifies groups among the employed & persons outside the labour force who share similarities with the unemployed
- Focuses on issues of insufficient labour absorption
- For broader labour market monitoring
NEW Measures of labour underutilization (LU1-LU4)

Combined indicators of labour underutilization (LU1-LU4)

Four indicators: to assess the nature of LU throughout the business cycle:

- **LU1**: Unemployment rate:
  \[
  \left(\frac{\text{persons in unemployment}}{\text{labour force}}\right) \times 100
  \]

- **LU2**: Combined rate of time-related underemployment and unemployment:
  \[
  \left(\frac{\text{persons in time-related underemployment} + \text{persons in unemployment}}{\text{labour force}}\right) \times 100
  \]

- **LU3**: Combined rate of unemployment and potential labour force:
  \[
  \left(\frac{\text{persons in unemployment} + \text{potential labour force}}{\text{extended labour force}}\right) \times 100
  \]

- **LU4**: Aggregate measure of labour underutilization:
  \[
  \left(\frac{\text{persons in time-related underemployment} + \text{persons in unemployment} + \text{potential labour force}}{\text{extended labour force}}\right) \times 100
  \]

Note: extended LF = LF + potential labour force.
Data collection strategy (§ 56)
As per national needs and uses

Sub-Annual
High/low season quarter

Annual

Less frequent

MAIN AGGREGATES ONLY
Employment
Labour force
Labour underutilization
Subsistence food producers

Detailed labour force statistics
Labour input to SNA production

For benchmarking
Special topics

Impact of new standards:
Employment to Population Ratio (15-64 yrs)

- Will vary depending on
  - Extent to which persons may engage exclusively in own-use production of goods, volunteer work and/or unpaid trainee work in the country
  - The previous inclusion of these activities in existing employment statistics

Source: ILO calculations based on national data (2010-2011)
New rate of subsistence foodstuff producers (%WAP)

Source: ILO calculations based on national data (2010-2012)

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

Source: ILO calculations based on national data (2011)
Impact of new standards: Unemployment & LU measures (pop. groups)

Impact and LU measures particularly relevant for Women and youth

Source: ILO calculations based on national data (2010)

National implementation of the new standards

- Tailored depending on expected impact
- Pilot test before introducing changes to existing LFS
- Early communication with users
- Plan for coherent implementation across sources
  - Household surveys (LFS), Population Census, Agricultural Census
- For countries with regular LFS mechanism
  - Essential to evaluate the new indicators before their public release
  - Consider publication of parallel series for a specified period after implementation

Examples:
Conducting national level survey in parallel to LFS for a full year
  - Brazil, Dominican Republic, Turkey
Planning pilot of new employment & unemployment question

Source: ILO Department of Statistics
Overview of ILO pilot studies

ILO pilot study project: Objectives and scope

• To develop model question sequences and guidance for LFS
  – Aligned with new 19th ICLS standards
  – Based on existing good practice AND new evidence

• Scope focuses on measurement of
  1. Employment (as work for pay or profit)
  2. Measures of Labour Underutilization
  3. Persons in own-use production work (and working time)
     • Of goods (including in agriculture, fishing, hunting and gathering)
     • Of Services (in particular housework, adult dependent care, child care)

(*) Measurement of Volunteer work, Unpaid trainee work and Other forms of work to be researched in the future
ILO pilot study project phases

**Phase 1**
- **June, 2015 - May, 2016**
- 10 countries from different regions
- Small-scale tests
- Cognitive + field tests
- 5 model LFS sequences

**Phase 2**
- Q3, 2016 – Q2, 2017 (possible extension)
- Global + Sub-regional plans
- Refine LFS sequences, new objectives

**Phase 3**

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**Expected outputs**

- **Phase 1 pilot study protocol**
  - Model LFS sequences, explanatory notes, cognitive guides, field tests methodology, meta-data documentation & micro-data file req.

- **Final reports of pilot studies**
  - Qualitative & Quantitative (country & cross-country)

- **LFS practical guidelines**
  - Version 1 (as per outcomes of phase 1)
  - Version 2 (revised, as per outcomes of phase 2)

- **Training course and training materials**
  - LFS Academy (ITC-Turin)
  - + other short course programme(s)
Phase 1: Overall approach

Pilot countries (10)
- Cameroon
- Cote d’Ivoire
- Ecuador
- Kyrgyzstan
- Moldova
- Namibia
- Peru
- Philippines
- Tunisia
- Vietnam

Pilot methodology
- For each pilot country
  - 2 alternative model questionnaires
    - Cognitive testing
    - Pre-tests
    - Field tests
      - Wave 1
      - Wave 2

Roles and responsibilities

ILO
- Technical materials
- Technical advice & training
  - Technical Workshop (GVA)
  - 3 missions
    - Cognitive test / field plans
    - Wave 1 training & start collect.
    - Wave 2 refresher & start collect.
  - Email communication
- Analysis & writing of reports
- Evaluation of results

Pilot country
- Implementation cognitive tests
  - Recruitment
  - Interview
  - Summary of results
- Field test (pre-test, Wave 1 & Wave 2)
  - Sample selection
  - Recruitment & training of field staff
  - Translate, format & print materials
  - Field operations
  - Data entry, processing & cleaning
  - Metadata documentation
Implementation timelines:
Key milestones

- Overall project duration: 19 May 2015 – 31 May 2016
- Contract signing: Now – mid-June 2015
- Cognitive test: 5-6 weeks before Wave 1
- Field tests Wave 1 & Wave 2: as per appropriate target seasons
- + account time for pre-test, field staff training and refresher, etc

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Resources and Contact

- 19th International Conference of labour statisticians
  
  http://www.ilo.org/19thiclsg

- ICLS Resolutions and Guidelines
  

- STATISTICS contact
  
  statistics@ilo.org