



Background and Overview: 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



<http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/lang--en/index.htm>



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*, ...)



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)

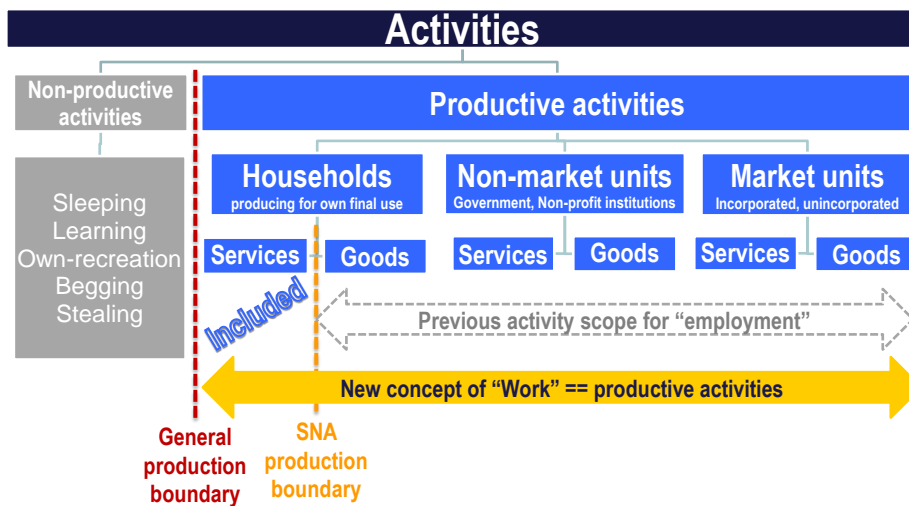
“Any activity performed
by persons of any sex and age
to produce goods or provide services
for use by others or for own use”

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)



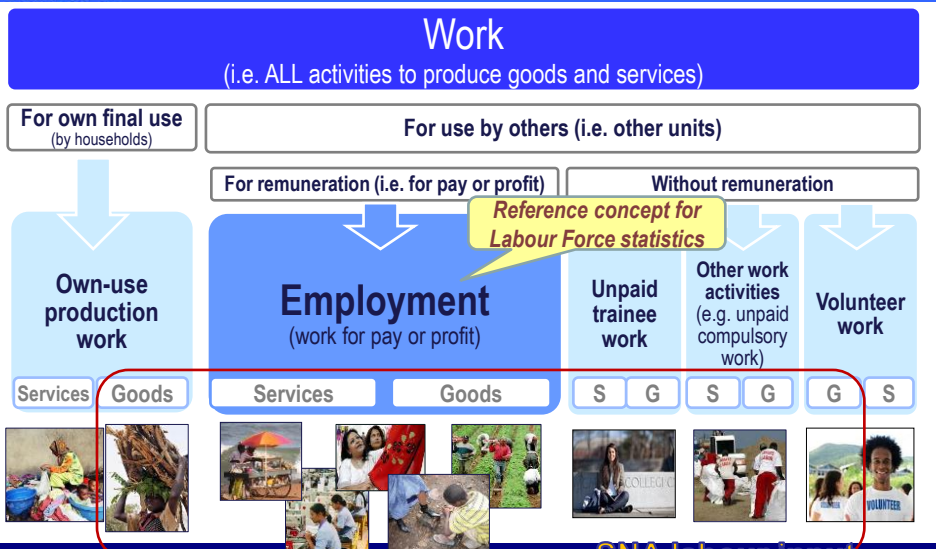


Forms of work framework (1)

- 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





Forms of work (3): Basic concepts

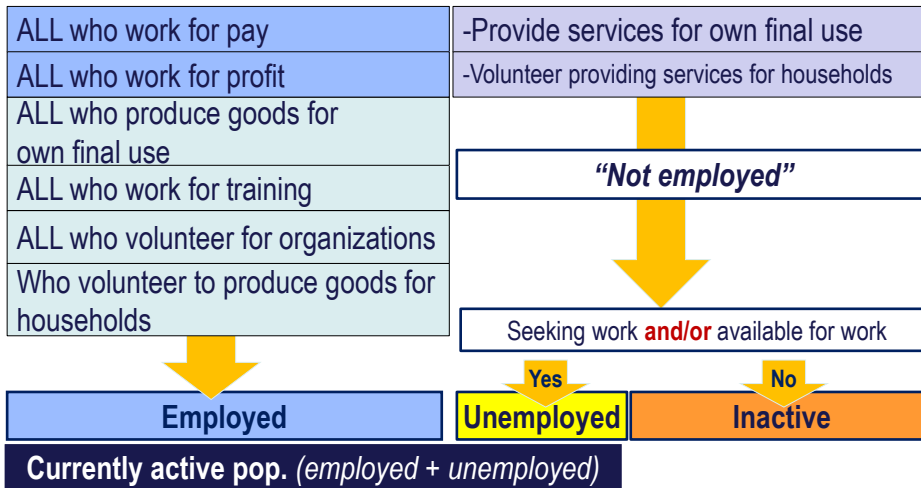
- **Own-use production work**
 - Activities to produce goods & services **mainly for own final use by household/family**
- **Employment work**
 - Activities to produce goods & services [for others in exchange] **for pay or profit**
- **Unpaid trainee work**
 - Activities to produce goods & services for 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**



Employment & unemployment statistics as per previous standards...

Above **minimum age ...**:

ALL OTHERS, whether or not:





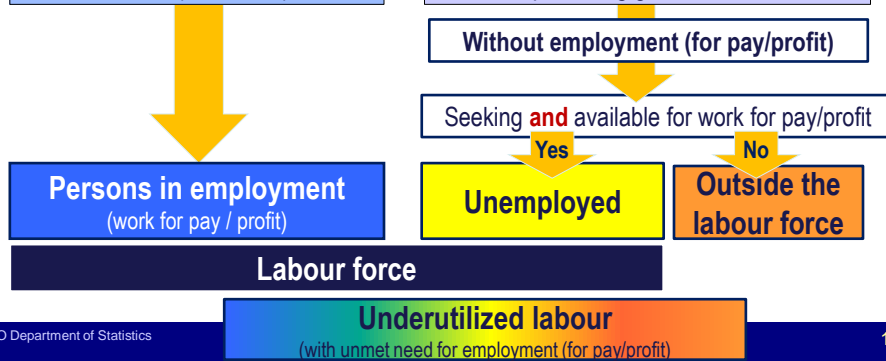
Employment & Unemployment as per the NEW standards..

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

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



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17



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

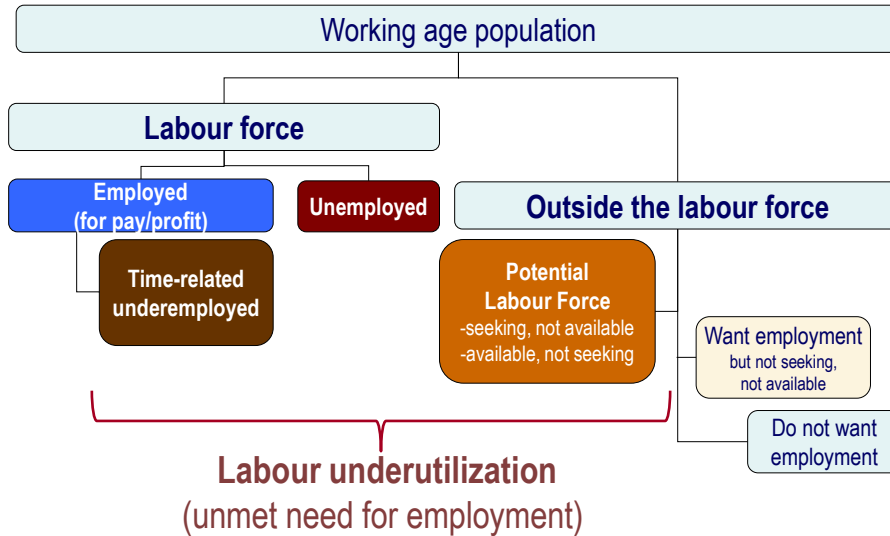
-ALL forms of work are productive & contribute to the economy
 -Persons outside labour force may be engaged in other forms of work
 -Children may be engaged in work, including in child labour

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18



Labour force & labour underutilization Improved labour market monitoring across contexts



19



Labour underutilization: Scope

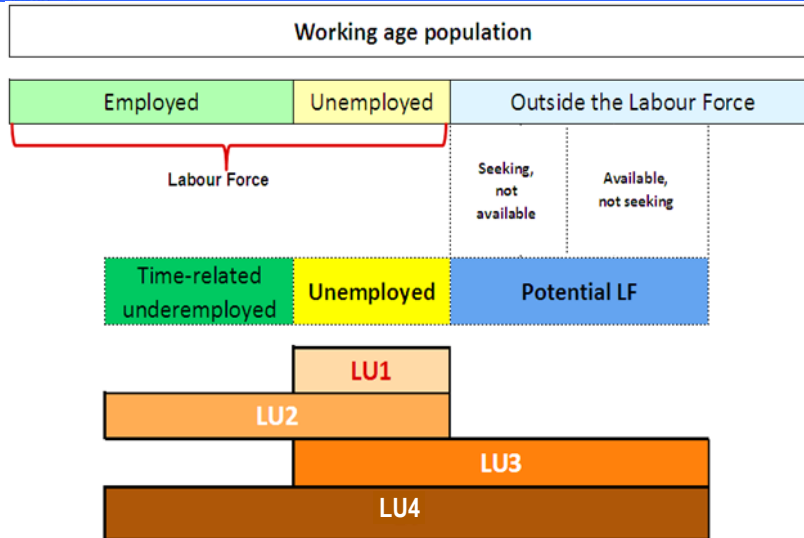
“Refers to mismatches
between labour supply and demand,
which translate into an **unmet need for employment**
among the population”

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)



21



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:

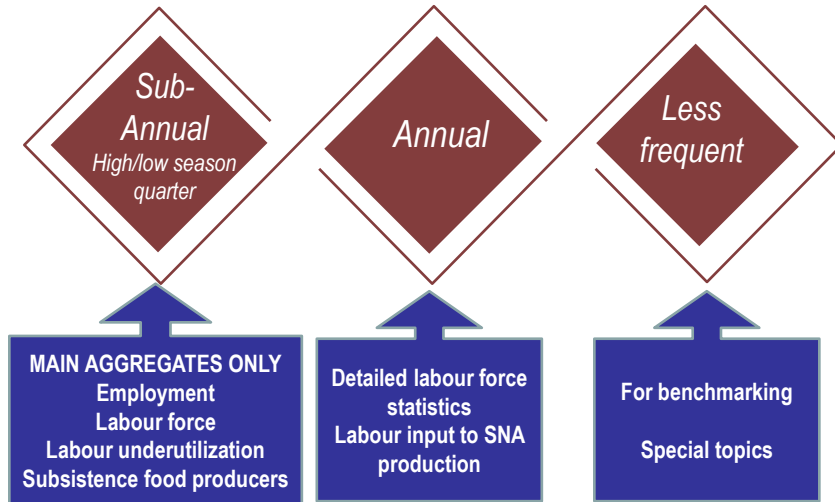
$$\left[\frac{\text{persons in unemployment} + \text{potential labour force}}{\text{extended labour force}} \right] \times 100$$
- LU4:** Aggregate measure of labour underutilization:

$$\left[\frac{\text{persons in time-related underemployment} + \text{persons in unemployment} + \text{potential labour force}}{\text{extended labour force}} \right] \times 100$$

Note: extended LF = LF + potential labour force



Data collection strategy (§ 56) As per national needs and uses

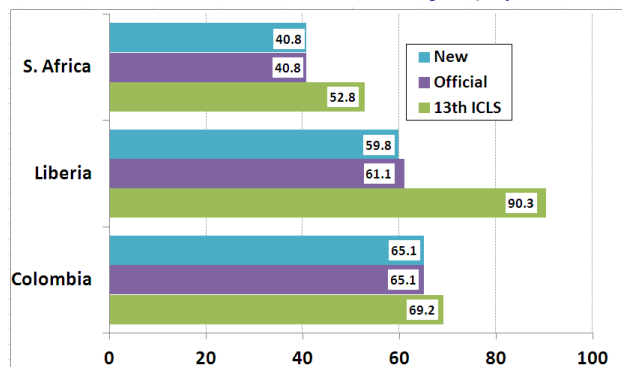


23



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

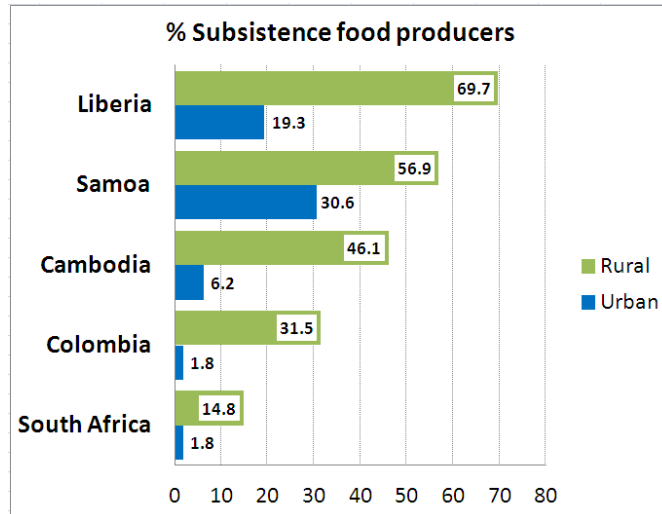


Source: ILO calculations based on national data (2010-2011)

24



New rate of subsistence foodstuff producers (%WAP)

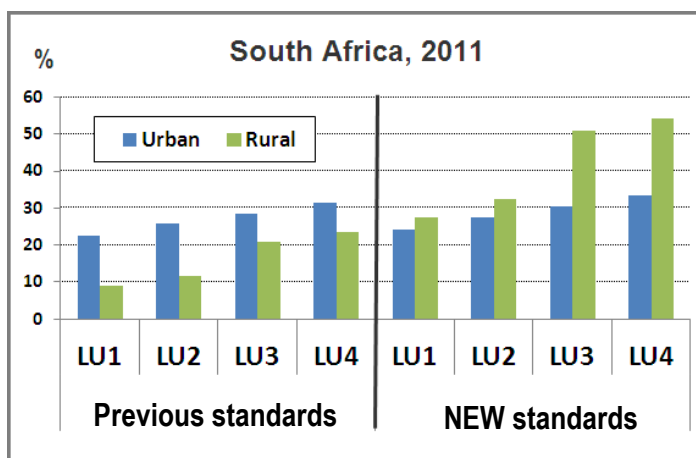


Source: ILO calculations based on national data (2010-2012)

25



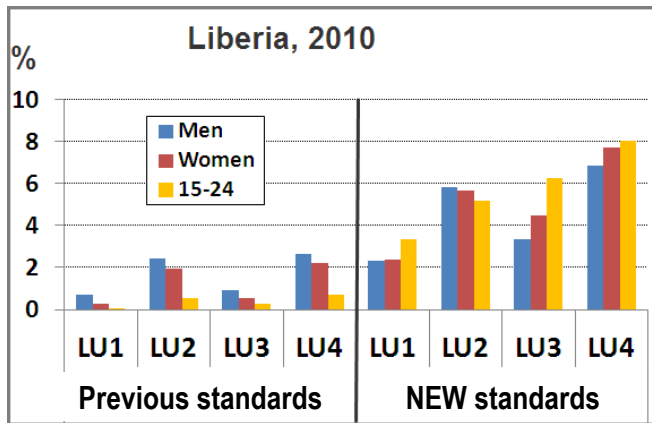
Impact of new standards: Unemployment & LU measures (Urban/Rural)



Impact and LU measures particularly relevant for rural areas

Source: ILO calculations based on national data (2011)

26



Impact and LU measures particularly relevant for Women and youth

Source: ILO calculations based on national data (2010)

27

- 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



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



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

	2015							2016					
	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V
Country 1	X		C		W1			W2					
Country 2	X			C	W1		W2						
Country 3	X	C		W1							W2		
Country 4	X					C		W1		W2			



Resources and Contact

- 19th International Conference of labour statisticians

<http://www.ilo.org/19thicls>

- ICLS Resolutions and Guidelines

<http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/>

- STATISTICS contact

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