

From Employment and Unemployment to Work and Labour Underutilization:

The new international standards on statistics of work, employment and labour underutilization

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1. In October 2013 the International Labour Organization (ILO) convened the 19th International Conference of Labour Statisticians (ICLS) in Geneva, Switzerland. The Conference discussed and adopted a *Resolution concerning statistics of work, employment and labour underutilization*¹. This resolution updates the previous international standards relating to statistics of the economically active population, employment, unemployment and underemployment (13th ICLS, 1982) and related guidelines, used by most countries as basis to produce their official national statistics on the topic. This note provides an overview of the ICLS and highlights the main features of this new resolution and their possible implications for national programmes on statistics of work and of the labour force. It also outlines future activities of the ILO Department of Statistics to support the implementation of this resolution.

I. International Conference of Labour Statisticians (ICLS)

2. The ICLS is the mechanism at the international level responsible for the development and adoption of statistical standards in the area of work. Every five years, since 1923, the Conference has met at the headquarters of the ILO in Geneva, Switzerland, to discuss and make recommendations on selected topics of labour statistics in the form of resolutions and guidelines. The Conference also makes recommendations regarding priority areas for future work by the ILO. The ILO Department of Statistics acts as secretariat of the Conference and is responsible for carrying out developmental work in labour statistics, in line with the recommendations of the Conference.
3. The Conference has a tripartite structure, bringing together expert statisticians from governments, mostly appointed from national statistical offices and ministries responsible for labour, as well as from employer's and worker's organizations. Representatives from international and regional organizations and from non-governmental organizations also participate as observers in the Conference deliberations. The resolutions and guidelines adopted by the ICLS thus reflect the agreements by the main stakeholders in the world of work. Once adopted by the Conference, the resolutions and guidelines are submitted for approval by the Governing Body of the ILO in order to become part of the set of international standards on labour statistics, together with the Labour Statistics Convention and Recommendation (1985).²

¹ Available at: <http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/lang--en/index.htm>

² Available at <http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/lang--en/index.htm>

4. The Resolutions are non-binding instruments which provide detailed guidelines on conceptual frameworks, operational definitions and measurement methodologies to produce and disseminate the various labour statistics. Their purpose is to provide necessary guidance to countries wishing to develop or revise their national labour statistics programmes as well as to enhance international comparability. The Guidelines provide further guidance on specific areas or topics in labour statistics.
5. At its 19th session, the Conference adopted a *Resolution concerning statistics of work, employment and labour underutilization* and endorsed a set of *Guidelines concerning a statistical definition of employment in the environmental sector*. The Conference also adopted resolutions concerning further work by the ILO on statistics of forced labour, cooperatives and labour migration, as well as a resolution concerning the functioning of the Conference.

II. Resolution concerning statistics of work, employment and labour underutilization

6. The new resolution concerning statistics of work employment and labour underutilization replaces the previous international recommendations contained in the *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment* dating from 1982 (13th ICLS) and related guidelines. Work to update these statistical standards was initiated by the ILO Department of Statistics following the recommendations of the 18th ICLS and of the labour statistics programme review considered by the United Nations Statistical Commission at its 39th session, both held in 2008. Among the main concerns were the perceived limitations of the unemployment rate as a single headline indicator to monitor participation and access to labour markets; the need for more refined indicators to inform policies on employment creation and to address various problems of underutilization of labour; as well as the growing recognition that unpaid forms of work contribute to socio-economic development and wellbeing and thus should be regularly measured.
7. The recently adopted standards were developed through extensive consultations with labour statisticians at regional and global levels. They incorporate identified good practices that enhance the international comparability of the statistics. Important elements from the previous standards essential to the internal consistency of the statistics remain unchanged. Notable among these are the activity principle, priority rule, one-hour criterion and short reference period of measurement that underlie the classification of the population by labour force status (i.e. employed, unemployed, outside the labour force).
8. Important revisions introduced in the standards include a conceptual framework for work statistics consistent with the System of National Accounts; guidelines for separately measuring different forms of work, including a more targeted definition of employment, and for expanding the range of measures of labour underutilization beyond the traditional unemployment. New terminology has also been introduced as relevant, and terms considered to be out-of-date, particularly “economically active/inactive” have been replaced with “labour force/outside the labour force.”

Conceptual framework for work statistics

9. The Resolution introduces the first international statistical definition of work and a framework for the separate measurement of different forms of work. Among the main new features in the resolution are:
 - a. A comprehensive, yet flexible, general framework for work statistics that distinguishes between employment and other forms of work, including own-use production work, volunteer work, and unpaid trainee work.
 - b. A more refined concept and definition of employment that focuses on work for pay or profit to serve as the basis for the production of labour force statistics;
 - c. General definitions and operational guidelines to enable comprehensive measurement of participation and time spent in forms of work other than employment, particularly production of goods for own final use, provision of services for own final use, and volunteer work;
 - d. More detailed operational guidelines for the measurement of employment and unemployment that build on the experience accumulated by countries over the last 30 years and promote the international comparability of the statistics;
 - e. Measures of labour underutilization that focus on problems related to insufficient absorption of available labour, to be disseminated together with the unemployment rate; and
 - f. General guidance for developing classifications of persons outside the labour force for different purposes, including the assessment of their labour market attachment;
 - g. General guidance for developing a rational programme of work and labour force statistics to provide for short- and long-term needs, taking account of national context and resources.
10. The new standards aim: (a) to better meet the demand for labour force statistics to monitor labour markets, in particular access to remunerated work, as well as to inform employment promotion, job creation, income and other related social policies; (b) to give due recognition as work to all activities performed by women and men that contribute to the production of goods and services; (c) to shed light, through separate measurement, on patterns of participation in forms of work other than employment, particularly, production of goods and provision of services for own final use, volunteer work and unpaid trainee work; (d) to enable the comprehensive measurement of labour input into all productive activities and the contribution of different forms of work to economic development, to household livelihoods and to well-being; (e) to improve the integration of labour force statistics with other work statistics, and with statistics in other domains, particularly production statistics; and (f) to promote the development of dynamic measures of labour markets in the future.

III. Implications for national labour force statistics

11. The refinements to the definition of employment and new measures of underutilization will likely result in breaks in the historical series of statistics of the economically active population, employment, unemployment and time-related underemployment. The impact of these changes is expected to vary depending on the socioeconomic context and the existing data collection practices of countries. Nonetheless, it is expected to be particularly relevant for countries where subsistence activities are widespread among certain groups of the population, and more generally for women, youth and persons living in rural areas. While in general it is desirable to avoid having breaks in statistical series in order to support trend analysis; this is at times necessary, particularly when introducing changes aimed at improving the policy relevance of key headline indicators.
12. A key aspect of the changes will be the improvement of the overall gender relevance of work and labour market statistics globally as gender differences in participation in paid and unpaid forms of work will become more visible in the statistics. Specifically, it will now be possible to highlight women's higher participation in unpaid forms of work; a pattern that could not be fully captured with the statistics produced using the 1982 standards.
13. To manage the potential break in series and introduce the new indicators, the new standards encourage countries to develop incrementally their statistical system so as to cover work statistics, including statistics on the labour force, based on their specific national needs and resources. They recommend that national statistical agencies consider a strategic and coordinated approach for the adoption of the new standards, and that thorough testing and evaluation of the revised methodology and indicators be carried out prior to the introduction of changes into their existing programmes. Data users will need to be kept well informed of the process for the implementation of changes as part of a comprehensive communications strategy which aims to ensure the new standards are understood well and implemented well.

Future activities of the ILO Department of Statistics

14. Activities to revise and update national data collection practices to be in line with the new international statistical standards are already underway in a number of countries and regions around the world. To support efforts at national level, the 19th ICLS called on the ILO to conduct further "conceptual and methodological work, including testing" as well as to promote the "sharing of good practices among countries" through a "collaborative mechanism between countries, international, regional and sub-regional organizations, and workers' and employers representatives" (para. 96, 19th ICLS).
15. As follow up, the ILO, with the support of the African Development Bank (AfDB) and the UN Foundation, has recently launched an ambitious pilot study programme in order to support the development of guidance to countries on the implementation of the new standards. The ILO pilot programme will run over the period 2015 to 2017 over 2 phases.

16. Phase 1 of the pilot studies will focus on evaluating 5 alternative model labour force survey (LFS) questionnaires to be used for the regular collection of statistics on the labour force, labour underutilization and participation in own-use production work, in accordance with the new standards. The different model questionnaires are based on the most common LFS approaches used by countries in the different world regions. They draw on the wealth of LFS experience accumulated at national level, but also incorporate novel approaches to bring them in line with the new standards. The pilot studies will use an experimental methodology that combines (a) cognitive testing and (b) survey field tests to evaluate the 5 model questionnaires.
17. Phase 1 was launched in May 2015 and will run until mid-2016. Ten pilot countries from different regions of the world have been selected to participate including: Cameroon, Ecuador, Ivory Coast, Kyrgyz Republic, Moldova, Namibia, Peru, Philippines, Tunisia and Vietnam.
18. The overarching aim of the first phase of the ILO pilot study programme is to develop suitable survey methodology for the regular collection of statistics of the labour force, labour underutilization and participation in different forms of work, in particular, in own-use production work. The results of the pilot studies will serve to support national plans for the implementation of the 19th ICLS standards in labour force surveys, which are widely recognized as the main official source of labour force statistics in countries around the world. This will ultimately yield an improved evidence base for policy makers engaged in the formulation and monitoring of a wide range of economic, labour market and social policies and programmes.
19. Phase 2 of the programme will build on the results of phase 1 and target new measurement objectives, including to further refine the alternative survey question sequences developed and, to the extent possible, to evaluate with representative samples, the impact of the new standards on estimates of selected headline indicators of the labour market. Phase 2 will also be an opportunity to incorporate regional or sub-regional level objectives aimed at promoting comparability among countries sharing similar social and economic conditions or interests. The results will also inform the development of new practical guidelines and training materials on labour force survey methods for constituents as well as the ILO programme of technical assistance and capacity building on labour force surveys.
20. In addition to the pilot programme the ILO is developing a Labour Market Statistics Academy as a support for countries looking to develop their labour market statistics, in particular their LFS. Among other things, this Academy will include guidance on how to implement labour force surveys in line with the new standards. The Academy will take place for the first time at the ILO/ITC in Turin in November 2015. The first Academy will be run in English only with plans to develop the Academy in other French and Spanish afterwards. More information on the Labour Market Statistics Academy is available in the website of the ILO-ITC at: <http://www.itcilo.org/calendar/25486>.