Labour Force Survey Training

@ Central Statistics Organisation
Islamic Republic of Afghanistan, Kabul
21 - 23 October 2012

Organised by:
Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)

Day 2:
i) Malaysian Experience
ii) Concepts & Definition
iii) Labour Force Measurements
Sharing The Malaysian Labour Force Survey Experience
Malaysia’s Labour Force Survey Journey

* Started in 1974
* Improved the CONTENT in line with Users’ needs & current Economic development

- Added questions eg. Field of education for degree holders
- Changed from 3 hrs to 1 hr
- Public vs Private sector
- Work experience
- Improved DP and sampling design

* Revised Classifications and codes
  * Occupation
  * Industry
  * Education

Main Users:
- Economic Planning Unit
- Min. of Finance
- Min. of Human Resource
- Central Bank
- Parliament
These are among the uses of Labour Force Statistics

1. Monthly Labour Force Indicators
   1. As input in determining minimum wage ▶️
2. Input in MDG as well as Education for All (EFA) on Literacy
3. To monitor Policy implementations ▶️
4. Indepth analysis of high unemployment ▶️
5. Analysis of women LFP
6. Analysis of unemployment among Graduates
Chart 2: Mean monthly salaries & wages (RM) by OCCUPATION, Malaysia, 2008 & 2010

- Legislators, senior officials and managers: 4,648 (2010)
- Professionals: 3,831 (2010)
- Technicians and associate professionals: 2,393 (2010)
- Clerical workers: 1,561 (2010)
- Service workers and shop and market sales workers: 1,294 (2010)
- Craft and related trades workers: 1,212 (2010)
- Plant and machine-operators and assemblers: 1,135 (2010)
- Elementary occupations: 931 (2010)
- Skilled agricultural and fishery workers: 709 (2010)
Chart 3: Mean monthly salaries & wages (RM) by INDUSTRY*, Malaysia, 2010

*MSIC 2008
To support the Hon. Minister’s statement, the number of employed persons by Major Sectors showed the same trend:
Unemployment Rate (%) dan Outside Labour Force by Month, 2010

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mac</th>
<th>April</th>
<th>Mei</th>
<th>Jun</th>
<th>Julai</th>
<th>Ogos</th>
<th>Sept</th>
<th>Okt</th>
<th>Nov</th>
<th>Dis</th>
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</thead>
<tbody>
<tr>
<td>Series1</td>
<td>6,930.8</td>
<td>7,197.7</td>
<td>6,997.6</td>
<td>6,886.1</td>
<td>7,182.3</td>
<td>7,068.1</td>
<td>6,931.0</td>
<td>7,155.5</td>
<td>7,230.8</td>
<td>6,887.1</td>
<td>7,308.3</td>
<td>6,787.8</td>
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<td>Series2</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>3.1</td>
<td>3.2</td>
<td>3.6</td>
<td>3.2</td>
<td>3.1</td>
<td>3.0</td>
<td>2.8</td>
<td>3.0</td>
<td>3.1</td>
</tr>
</tbody>
</table>

* Cuti sekolah
* Cuti semester
<table>
<thead>
<tr>
<th>Age group</th>
<th>Labour Force('000)</th>
<th>Employed('000)</th>
<th>Unemployed('000)</th>
<th>Outside Labour Force('000)</th>
<th>Labour Force Participation rate(%)</th>
<th>Unemployment rate(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, 15-64</td>
<td>1,639.9</td>
<td>1,554.8</td>
<td>85.2</td>
<td>819.2</td>
<td>66.7</td>
<td>5.2</td>
</tr>
<tr>
<td>15 - 19</td>
<td>122.0</td>
<td>100.4</td>
<td>21.6</td>
<td>241.3</td>
<td>33.6</td>
<td>17.7</td>
</tr>
<tr>
<td>20 - 24</td>
<td>225.3</td>
<td>195.2</td>
<td>30.1</td>
<td>103.6</td>
<td>68.5</td>
<td>13.4</td>
</tr>
<tr>
<td>25 - 29</td>
<td>237.7</td>
<td>224.3</td>
<td>13.4</td>
<td>78.1</td>
<td>75.3</td>
<td>5.6</td>
</tr>
<tr>
<td>30 - 34</td>
<td>234.3</td>
<td>226.4</td>
<td>7.9</td>
<td>76.9</td>
<td>75.3</td>
<td>3.4</td>
</tr>
<tr>
<td>35 - 39</td>
<td>217.1</td>
<td>213.9</td>
<td>3.2</td>
<td>66.7</td>
<td>76.5</td>
<td>1.5</td>
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<tr>
<td>40 - 44</td>
<td>198.9</td>
<td>196.1</td>
<td>2.8</td>
<td>59.0</td>
<td>77.1</td>
<td>1.4</td>
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<tr>
<td>45 - 49</td>
<td>169.7</td>
<td>167.5</td>
<td>2.2</td>
<td>54.2</td>
<td>75.8</td>
<td>1.3</td>
</tr>
<tr>
<td>50 - 54</td>
<td>123.3</td>
<td>121.8</td>
<td>1.5</td>
<td>46.8</td>
<td>72.5</td>
<td>1.2</td>
</tr>
<tr>
<td>55 - 59</td>
<td>75.4</td>
<td>74.4</td>
<td>1.0</td>
<td>48.5</td>
<td>60.9</td>
<td>1.4</td>
</tr>
<tr>
<td>60 - 64</td>
<td>36.0</td>
<td>34.7</td>
<td>1.3</td>
<td>44.1</td>
<td>45.0</td>
<td>3.7</td>
</tr>
</tbody>
</table>

- National Unemployment is 3.0%
- Investigate Province with high unemployment, 5.2%
- If analysed by age-specific unemployment rate, found to be high in the young
- Especially in the 15-19 age
Surveys of the Economically Active Population Employment, unemployment and underemployment

An ILO manual
On concepts
And methods

- Based on the 13th International Conference of Labour Statisticians, 1982
- Basis concepts, definitions and methods in carrying out surveys on the Labour Force
- ILO currently preparing a revision of the manual, due out mid-2013
Concepts & definition of Terms & references in Labour Force Survey

Reference period

Hours of work during reference week

Minimum hours worked

Outside the labour force

Under employed

Unemployed
Reference period

- The labour force framework is designed to monitor current changes in the employment and unemployment situation.

- Thus, the concepts of employment and unemployment should relate to a relatively short time period.

- Short recent reference period minimises recall and other memory-dependent response errors.

- It also lessens the statistical problems that may arise due to population movements and changes in the activity status, occupation and other characteristics of the population.

- Hence, the nearest practical stretch of time to reflect an instantaneous situation is a day or a week.
The one hour criterion

- The one hour criterion in the definition of employment is 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.

- The measure of productivity takes into consideration number of persons employed and the hours worked.

- The one hour criterion in the definition of employment is also fundamental in defining unemployment as a situation of total lack of work.
Normal duration of work

- Thirteenth ICLS in 1982 - Defines normal duration of work for an activity should be determined “in the light of national circumstances as reflected in national legislation to the extent it is applicable, and usual practices in other cases, or in terms of a uniform conventional norm”

- Tenth ICLS in 1962, which states: “Normal hours of work are the hours of work fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards”

Example - per week:
Sri Lanka - 35 hours
Ecuador, Nigeria, Turkey - 40 hours
El Salvador, Korea, USA - 35 hours
Canada, Jamaica, Malaysia - 30 hours

- Particular categories of workers who work less than the number of weekly hours taken as the norm e.g. bus-drivers, airline personnel, entertainers can be considered full-time workers as long as their normal full-time work-week remains constant.
Outside the Labour Force

- Persons not in the labour force, or, equivalently, the “population not currently active”, comprises all persons not classified as employed or unemployed during the reference period and hence not currently active.

- Including children, young people (aged 0-14) and aged persons (> 64 years).

- According to the Thirteenth ICLS 1982, classified by reasons for inactivity, which are listed as:
  - (a) attendance at educational institutions;
  - (b) engagement in household duties;
  - (c) retirement or old age;
  - (d) other reasons such as infirmity or disablement.
Defining unemployment

The international standard definition of unemployment (ILO, 1983) is based on three criteria to be satisfied

(a) “without work”, i.e. were not in paid employment or self-employment

(b) “currently available for work”, i.e. were available for paid employment or self-employment during the reference period

(c) “seeking work”, i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment
Underemployment

Defined as a subcategory of employment and that there are three criteria for identifying, among persons in employment, those who are visibly underemployed:

(1) working less than normal duration;

(2) doing so on an involuntary basis; and

(3) seeking or being available for additional work during the reference period.
Refer to Questionnaire

Refer to Summary Box
Labour Force Measurements

1. Labour force is also referred to as ‘currently active population’

2. Population = Labour force + Not in the labour force

3. Labour Force = employed + Unemployed

Labour Force Participation Rate, LFPR
= (number of employed + number of unemployed) x100
Population (15-64)

Unemployment rate
= number of unemployed persons x 100
Total employed
Labour force from NRVA 2007/2008
Working age >= 16 years
12 million people
4 million inactive
8 million actively engaged in the labour market

Labour force participation rate
Male = 85.7 %
Female = 46.7 %
Total = 66.6 %

Unemployment rate
Male = 6.9
Female = 7.4
Total = 7.1

Percentage of children performing child labour
Male = 16.9%
Female = 9.1%
Total = 13.2 %
Variables that require standard codes & classification (*from Dept. of Statistics, Malaysia website*)

1. Marital Status
2. Ethnicity
3. Gender/Sex
4. Religion
5. Citizenship
6. Relationship with Head of Household
7. Types of Living Quarters
8. Employment Status
9. Level of Education
10. Highest Certificate Obtained
11. Field of Study
12. Occupation
13. Industry
In what **sector** of the economy is the main job of `<name>`?

For codes, see below

<table>
<thead>
<tr>
<th>Code</th>
<th>Sector Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
</tr>
<tr>
<td>2</td>
<td>Livestock</td>
</tr>
<tr>
<td>3</td>
<td>Manufacturing / processing (handicraft, food processing, tailoring, etc.)</td>
</tr>
<tr>
<td>4</td>
<td>Construction (e.g. roads, buildings)</td>
</tr>
<tr>
<td>5</td>
<td>Wholesale and retail trade</td>
</tr>
<tr>
<td>6</td>
<td>Transportation, communication</td>
</tr>
<tr>
<td>7</td>
<td>Health</td>
</tr>
<tr>
<td>8</td>
<td>Education</td>
</tr>
<tr>
<td>9</td>
<td>Other government services</td>
</tr>
<tr>
<td>10</td>
<td>UN/NGOs</td>
</tr>
<tr>
<td>11</td>
<td>Other services</td>
</tr>
</tbody>
</table>

For example, in NRVA, Sector is equivalent to **Industry**

For International comparison, best to use the **International Standard Industrial Classification, ISIC**.
8.10
What **type of activity**
did
*<name>* do in the main
job
in the most recent week
he/she was working?
For codes, see below

<table>
<thead>
<tr>
<th>Codes for 8.10 (Type of activity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1=Farming</td>
</tr>
<tr>
<td>2=Shepherding</td>
</tr>
<tr>
<td>3=Sales and trade</td>
</tr>
<tr>
<td>4=Construction and mining</td>
</tr>
<tr>
<td>5=Food processing</td>
</tr>
<tr>
<td>6=Metal and wood work</td>
</tr>
<tr>
<td>7=Handicraft work</td>
</tr>
<tr>
<td>8=Plant and machine operating</td>
</tr>
<tr>
<td>9=Drivers (car, truck, bus, taxi)</td>
</tr>
<tr>
<td>10=Health workers</td>
</tr>
<tr>
<td>11=Teaching</td>
</tr>
<tr>
<td>12=Security work</td>
</tr>
<tr>
<td>13=Other service work</td>
</tr>
<tr>
<td>14=Other work</td>
</tr>
</tbody>
</table>

- **Type of Activity** is equivalent to **Occupation**
- For International comparison, best to use the classification by ILO, ie the **International Standard Classification of Occupation, ISCO**