



Labour Force Survey: Dissemination

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Outline

Purpose

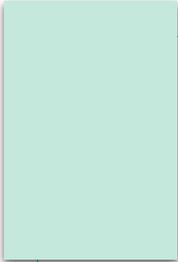
*Steps in
dissemination*

*Common
dissemination
activities*

*Target
dissemination
format*

*Key indicators
of the labour
market*

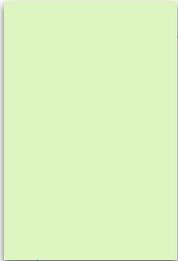
Purpose of data dissemination



To serve users' needs



To make available the information collected



To promote use and understanding of data and statistics



To establish dialogue with users



To improve data collection

Steps in dissemination



Identification of target users and needs

Choice of dissemination format, scope and contents

Identification of data needs

Tabulation/Data mining

Basic data analysis

Publishing of dissemination materials

Presentation and marketing of results and products

Feedback from users

Common dissemination activities

Regular dissemination plans as part of data production programme

- Monthly, quarterly, annual bulletins
- Survey, census, administrative data reports
- Compendiums
- Database, micro-files

Special dissemination activities through inter-unit, inter-ministerial or inter-agency collaborations

- Cross-sectoral publications addressing key issues for specific populations: women and men, children, elderly, disabled population

Publicity materials

- Flyers, booklets, posters, wall-charts

Target dissemination formats

User types

Users' needs

Users' statistical knowledge

Dissemination formats

- *Reports*
- *Compendiums*
- *Booklets*
- *Posters, Wall charts*
- *Briefs*
- *Micro-data files*
- *CD-ROM*
- *On-line database*

Key indicators of the labour market (KILM)

KILM 1. Labour force participation rate

KILM 2. Employment-to-population ratio

KILM 3. Status in employment

KILM 4. Employment by sector

KILM 5. Employment by occupation

KILM 6. Part-time workers

KILM 7. Hours of work

KILM 8. Employment in the informal economy

KILM 9. Unemployment

KILM 10. Youth unemployment

KILM 11. Long-term unemployment

KILM 12. Time-related underemployment

KILM 13. Persons outside the labour force

KILM 14. Educational attainment and illiteracy

KILM 15. Wages and compensation costs

KILM 16. Labour productivity

KILM 17. Poverty, income distribution, employment by economic class and working poverty

KILM 1. Labour force participation rate

- a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work;
- it provides an *indication of the size of the supply of labour available to engage in the production of goods and services*, relative to the population at working age.
- is calculated by expressing the number of persons in the labour force as a percentage of the working-age population.
 - The *labour force* is the sum of the number of persons employed and the number of unemployed.
 - The *working-age population* is the population above a specified minimum age – often aged 15 and older, but with variation from country to country based on national laws and practices.

Use of KILM 1

Labour force participation rate

plays a central role in the study of the factors that determine the size and composition of a country's human resources and in making projections of the future supply of labour.

to formulate employment policies, to determine training needs and to calculate the expected working lives of the male and female populations and the rates of accession to, and retirement from, economic activity – crucial information for the financial planning of social security systems.

for understanding the labour market behaviour of different categories of the population.

- level and pattern of labour force participation depend on employment opportunities and the demand for income, which may differ from one category of persons to another.
- For example, studies have shown that the labour force participation rates of women vary systematically, at any given age, with their marital status and level of education. There are also important differences in the participation rates of the urban and rural populations, and among different socio-economic groups.

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KILM 2. Employment-to-population ratio

- defined as the proportion of a country's working-age population that is employed.
 - *high ratio means that a large proportion of a country's population is employed.*
 - *low ratio means that a large share of the population is not involved directly in market-related activities, because they are either unemployed or (more likely) out of the labour force altogether.*
- calculated as the *ratio of employed to the working age population.*
- provides information on the ability of an economy to create employment.
- for many countries the indicator is often more insightful than the unemployment rate.

Use of KILM 2.

Employment-to-population ratio

- This indicator is becoming increasingly common as a basis for labour market comparisons across countries or groups of countries.
- Employment numbers alone are inadequate for purposes of comparison unless expressed as a share of the population who could be working.
 - *One might assume that a country employing 30 million persons is better off than a country employing 3 million persons, whereas the addition of the working-age population component would show another picture;*
 - *if there are 3 million persons employed in Country A out of a possible 5 million persons (60 per cent employment-to-population ratio) and 30 million persons employed in Country B out of a possible 70 million (43 per cent employment-to-population ratio), then the **employment-generating capacity** of Country A is superior to that of Country B.*
 - *The use of a ratio helps determine how much of the population of a country – or group of countries – is contributing to the production of goods and services.*

KILM 3. Status in employment

- The indicator of status in employment distinguishes between two categories of the total employed.
 - a. *wage and salaried workers (also known as employees); and*
 - b. *self-employed workers*
- The basic criteria used to define the status groups are:
 - the *types of economic risk* that they face in their work
 - an element of which is the strength of institutional attachment between the person and the job,
 - and the *type of authority over establishments and other workers* that the job-holder has or will have as an explicit or implicit result of the employment.

Use of KILM 3. Status in employment

This indicator provides information on the distribution of the workforce by status in employment

A high proportion of wage and salaried workers in a country can signify advanced economic development.

High proportion of own-account workers (may be an indication of a large agricultural sector and low growth in the formal economy).

Where large shares of workers are contributing family workers, there is likely to be poor development, little job growth, widespread poverty and often a large rural economy.

- *Contributing family work is a form of labour – generally unpaid, although compensation might come indirectly in the form of family income – that supports production for the market. It is particularly common among women, especially women in households where other members engage in self-employment, specifically in running a family business or in farming.*

KILM 4. Employment by sector

- Employment are divided into three broad groupings of economic activity:
 1. agriculture
 2. industry
 3. Services
- Sectoral information is particularly useful in *identifying broad shifts in employment and stages of development*.
 - In the textbook case of economic development, jobs are reallocated from agriculture and other labour-intensive primary activities to industry and finally to the services sector; in the process, workers migrate from rural to urban areas. In a large majority of countries, services are currently the largest sector in terms of employment. In most of the remaining countries employment is predominantly agricultural.



KILM 5. Employment by occupation

Statistics on jobs classified according to major groups as defined in one or more versions of the International Standard Classification of Occupations (ISCO).

Occupational information is particularly important for the identification of changes in skill levels in the labour force.

KILM 5. Employment by occupation (cont'd)

Changes in the occupational distribution of an economy can be used to identify and analyse stages of development.

When labour flows from agriculture to the industrial and services sectors, these flows will be visible in the occupational distribution as well.

- The share of skilled agricultural and fishery workers will typically decrease, while rising skill requirements are likely to be reflected in a decreasing share of elementary occupations, rising shares of high-skilled occupational groups such as professionals and technicians, and the need for rising educational attainment levels.

In developed economies, which already have relatively well-educated labour forces, increases in the shares of high-skilled occupational groups (are associated with the advance of the knowledge economy and additional changes in the structure of economies. Furthermore, shifts within occupational groups may be equally important.

- For example, the growing importance of information and communication technology (ICT) has resulted in a increase of ICT-related jobs.

KILM 6. Part-time workers

- The indicator on part-time workers *focuses on individuals whose working hours total less than “full time”, as a proportion of total employment.*
- Because there is *no internationally accepted definition as to the minimum number of hours in a week that constitute full-time work*, the dividing line is determined either on a country-by-country basis or through the use of special estimations.
- Two measures are calculated for this indicator:
 - total part-time employment as a proportion of total employment, sometimes referred to as the “part-time employment rate”; and
 - the percentage of the part-time workforce comprised of women.

KILM 6. Part-time workers (cont'd)

- There has been rapid growth in part-time work in the past few decades in developed economies.
 - related to the increase in female labour force participation,
 - results from policies attempting to raise labour market flexibility in reaction to changing work organization within industries and to the growth of the services sector.
 - *Of concern to policy-makers in the apparent move towards more flexible working arrangements is the risk that such working arrangements may be less economically secure and less stable than full-time employment.*
- Part-time employment has been seen as an instrument to increase labour supply.
- It may offer the chance of a better balance between working life and family responsibilities, and suits workers who prefer shorter working hours and more time for their private life, it may allow more working-age persons to actually join the labour force.

KILM 7. Hours of work

Two measurements related to working time to give an over-all picture of the time that the employed devote to work activities.

*the hours that
employed persons
work per week*

*the average annual
hours actually
worked per person*

KILM 7. Hours of work

Measuring the level of, and trends in, working time in a society, for different groups of persons and for individuals, is important when monitoring working and living conditions as well as for analysing economic and broader social developments.

Low and stable unemployment rates despite large drops in output in some advanced economies have been claimed to be related to flexibility in working time.

The number of hours worked has an impact on the health and well-being of workers.

Some persons in developed and developing economies working full time have expressed concern about their long working hours and its effects on their family and community life

Additionally, the number of hours worked has an impact on workers' productivity and on the labour costs of establishments.

Employers have also shown interest in enhancing the flexibility of working arrangements. They are increasingly negotiating non-standard working arrangements with their workers.⁵

KILM 9. Unemployment

- The overall unemployment rate for a country is a widely used measure of its unutilized labour supply.
- Considered the most informative labour market indicator reflecting the general performance of the labour market and the economy as a whole,
- Should not be interpreted as a measure of economic hardship or of well-being.
- Reflects the *proportion of the labour force that does not have a job* but is available and actively looking for work.
 - It says nothing about the economic resources of unemployed workers or their family members.
 - Its use should, therefore, be *limited to serving as a measurement of the utilization of labour and an indication of the failure to find work.*

KILM 9. Unemployment (cont'd)

- Low unemployment rates may well disguise substantial poverty
 - *High unemployment rates can occur in countries with significant economic development and low incidence of poverty.* In countries with well-developed social protection schemes or when savings or other means of support are available, workers can better afford to take the time to find more desirable jobs.
 - In countries without a safety net of unemployment insurance and welfare benefits, many individuals, despite strong family solidarity, simply cannot afford to be unemployed. Instead, they must eke out a living as best they can, often in the informal economy or in informal work arrangements. Therefore, the problem in many developing countries is not so much unemployment but rather the lack of decent and productive work.

KILM 9. Unemployment (cont'd)

- A useful purpose served by the unemployment rate in a country, when available on a frequent basis, is the *tracking of business cycles*.
 - When the rate is high, the country may be in recession, economic conditions may be bad, or the country somehow unable to provide jobs for the available workers.
- The usual policy goal of governments, employers and trade unions is to have a rate that is as low as possible yet also consistent with other economic and social policy objectives, such as low inflation and a sustainable balance-of-payments situation.
- When using the unemployment rate as a gauge for tracking cyclical developments, we are interested in looking at changes in the measure over time. In that context, the precise definition of unemployment used does not matter nearly as much – so long as it remains unchanged – as the fact that the statistics are collected and disseminated with regularity, so that measures of change are available for study.

KILM 10. Youth unemployment

youth

- aged 15 to 24 years

adult

- aged 25 years and over

(a) youth unemployment rate

youth unemployment as a percentage of the youth labour force

(b) ratio of the youth unemployment rate to the adult unemployment rate

(c) youth unemployment as a proportion of total unemployment

(d) youth unemployment as a proportion of the youth population

KILM 10. Youth unemployment (cont'd)

- In a country where the youth unemployment rate is high and the ratio of the youth unemployment rate to the adult unemployment rate is close to one, it may be concluded that the problem of unemployment is not specific to youth, but is country-wide.
- Unemployment rates of youth are typically higher than those of adults, reflected by a ratio of youth-to-adult unemployment rates that exceeds one.

KILM 10. Youth unemployment (cont'd)

- There are various reasons why youth unemployment rates are often higher than adult unemployment rates and not all of them are negative.
 - a. On the supply side, young persons might voluntarily engage in multiple short spells of unemployment as they gain experience and “shop around” for an appropriate job.
 - b. Moreover, because of the opening and closing of educational institutions over the course of the year, young students are far more likely to enter and exit the labour force as they move between employment, school enrolment and unemployment.
 - c. High youth unemployment rates are also the consequences of a labour market biased against young people.
 - i. employers tend to lay off young workers first because the cost to establishments of releasing young people is generally perceived as lower than for older workers.
 - ii. employment protection legislation usually requires a minimum period of employment before it applies, and compensation for redundancy usually increases with tenure. Young people are likely to have shorter job tenures than older workers and will, therefore, tend to be easier and less expensive to dismiss.

KILM 11. Long-term unemployment

The indicators on long-term unemployment look at duration of unemployment, that is, the length of time that an unemployed person has been without work, available for work and looking for a job.

long-term unemployment

1. *the long-term unemployment rate*

- persons unemployed for one year or longer as a percentage of the labour force;

2. *the incidence of long-term unemployment*

- persons unemployed for one year or longer as a proportion of total unemp-loyment.

durations of unemployment

- the number of unemployed and their share to total unemployment at different durations:
 - a. less than one month;
 - b. one month to less than three months;
 - c. three months to less than six months;
 - d. six months to less than twelve months;
 - e. twelve months or more

KILM 11. Long-term unemployment (cont'd)

- The duration of unemployment matters, in particular in countries where well-developed social security systems provide alternative sources of income.
 - In this respect, an increasing proportion of long-term unemployed is likely to reflect structural problems in the labour market. During the economic crisis for example, many economies saw a sharp rise in the unemployment rate, often as a result of longer unemployment durations.

KILM 11. Long-term unemployment (cont'd)

- Reducing the duration of periods of unemployment is a key element in many strategies to reduce overall unemployment.
 - Long-duration unemployment is undesirable, especially in circumstances where unemployment results from difficulties in matching supply and demand because of demand deficiency. The longer a person is unemployed, the lower his or her chance of finding a job.
 - Drawing income support for the period of unemployment certainly diminishes economic hardship, but financial support does not last indefinitely.
 - In any case, unemployment insurance coverage is often insufficient and not available to every unemployed person; the most likely non-recipients are persons entering or re-entering the labour market. Eligibility criteria and the extent of coverage, as well as the very existence of insurance, vary widely across countries.

KILM 11. Long-term unemployment (cont'd)

- Long-term unemployment often affects older or unskilled workers, and those who have lost their jobs through redundancy.
 - High ratios of long-term unemployment, therefore, indicate serious unemployment problems for certain groups in the labour market and often a poor record of employment creation.
 - Conversely, a high proportion of short-term unemployed indicates a high job creation rate and more turnover and mobility in the labour market.

KILM 12. Time-related underemployment

- Relates to the number of employed persons whose hours of work in the reference period are insufficient in relation to a more desirable employment situation in which the person is willing and available to engage.
- Previously known as “visible underemployment”.
- Two time-related underemployment rates are presented:
 - a. number of persons in time-related underemployment as a percentage of the labour force*
 - b. number of persons in time-related underemployment as a percentage of total employment*

KILM 12. Time-related underemployment

- useful as a supplement to information on employment and unemployment, particularly the latter, as they enrich an analysis of the efficiency of the labour market in terms of the ability of the country to provide full employment to all those who want it.
- most definitions include persons whose “hours actually worked” during the reference week were below a certain threshold. Some definitions include persons whose “hours usually worked” were below a certain threshold.

KILM 13. Persons outside the labour force

- The inactivity rate is the *proportion of the working-age population that is not in the labour force*.
- Summing up the inactivity rate and the labour force participation rate will yield 100 per cent.
- High inactivity rate for certain population groups should not necessarily be viewed as “bad”:
 - relatively high inactivity rate for young people aged 25 to 34 years may be due to their non-participation in the labour force to receive education.
 - high inactivity rate for women aged 25 to 34 years may be due to their leaving the labour force to attend to family responsibilities such as childbearing and childcare.

KILM 14. Educational attainment and illiteracy

reflects the levels and distribution of the knowledge and skills base of the labour force and the unemployed

Educational attainment

- based on International Standard Classification of Education (ISCED).

Illiteracy

- Literacy is defined as the skills to read and write a simple sentence about everyday life.
- Illiteracy is the inverse, that is, the lack of the skills to read and write a simple sentence about everyday life.

KILM 14. Educational attainment and illiteracy (cont'd)

- The advance of complex organizations and knowledge requirements, as well as the introduction of sophisticated machinery and technology, means that *economic growth and improvements in welfare increasingly depend on the degree of literacy and educational attainment of the total population*. The population's predisposition to acquire such skills can be enhanced by experience, informal and formal education, and training.
- Statistics on levels of educational attainment, therefore, remain the best available indicators of labour force skill levels to date. These are *important determinants of a country's capacity to compete successfully and sustainably in world markets and to make efficient use of rapid technological advances*. They should also affect the employability of workers.

Use of KILM 14. Educational attainment and illiteracy

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- (a) provide an indication of the capacity of countries to achieve important social and economic goals;

 - (b) give insights into the broad skill structure of the labour force;

 - (c) highlight the need to promote investments in education for different population groups;

 - (d) support analysis of the influence of skill levels on economic outcomes and the success of different policies in raising the educational level of the workforce;

 - (e) give an indication of the degree of inequality in the distribution of educational resources between groups of the population, particularly between men and women, and within and between countries; and

 - (f) provide an indication of the skills of the existing labour force, with a view to discovering untapped potential.

References

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End of Session 8