

International Labour Organisation

**Statistics of Labour Force, Employment,
Unemployment and Underemployment**

Second Item on the Agenda

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INTRODUCTION

1. Employment and related statistics occupy a privileged position in the wealth of information needed for furthering the aims and purposes of the International Labour Organisation. These aims and purposes include, in particular, an obligation "to further among the nations of the world programmes which will achieve: (a) full employment and the raising of standards of living; (b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being".¹ To guide decisions towards these broad objectives, employment and related statistics must reflect the prevailing employment conditions and policy concerns. These conditions and concerns naturally evolve over time and, accordingly, the ILO recommendations on employment and related statistics have undergone a number of changes in the past five decades, each time in response to new developments and new requirements.²

The role of international recommendations

2. International recommendations on employment and related statistics serve two basic purposes: they provide guidelines for the development of national statistics on the subject and they help to improve international comparability of the statistics.

Development of national statistics

3. National statistical authorities, especially in statistically less developed countries, look to international recommendations for guidance in developing their national statistics. The development of national statistics can therefore be greatly enhanced through the exchange and analysis of experience among countries and the distillation of the results in international recommendations and guidelines. It involves the collection, dissemination and analysis of more and better data at acceptable cost and in certain cases more intensive utilisation of existing administrative sources. Therefore, while international recommendations on employment and related statistics should be comprehensive to be useful, they should also take into account the quantity, quality, source and cost of the statistics.

Improvement of international comparability

4. The second function of international recommendations is to improve international comparability. Internationally comparable employment and related statistics serve a variety of purposes, not only at the international level, but also at the national level and for research requirements. In particular, they enable each country to compare its relative position with that of neighbouring or other countries at the same or different stages of economic and social development, with a view to drawing on the experience thus gained for use in its own employment policies. Internationally comparable statistics are also of help in formulating and monitoring regional and global development strategies and policies for a rational utilisation of the human resources available in each country. International recommendations and guidelines, moreover, serve as a focal point for standardising terminology and practices which may otherwise vary unnecessarily.

Historical background

Second ICLS (1925)

5. The ILO's efforts to formulate international recommendations on employment and related statistics began with the Second International Conference of Labour Statisticians (ICLS) in 1925.³ One of the main concerns of that Conference was the measurement of unemployment with a view to identifying the number of workers insured against unemployment, the number of unemployed in receipt of benefits and the total amount paid in benefits during the year.

Sixth ICLS (1947)

6. The next Conference at which the question of employment⁴ and unemployment statistics was included in the agenda was the Sixth ICLS in 1947. By then, the emphasis had shifted from unemployment as a major social problem to employment as a major task for sound economic planning, required by the reconstruction following the Second World War. At the same time, new concepts and methods were developed to measure employment and unemployment. The concept of the labour force, based on the activity of each individual during a specified period, was introduced, thus departing from the "gainfully occupied population" concept recommended for improving international comparability of census data by the Committee of Statistical Experts of the League of Nations in 1938. The development of sample survey methods opened possibilities of wide coverage of population and its characteristics at reduced cost.

Eighth ICLS (1954)

7. Seven years after the Sixth ICLS, the question of employment and unemployment statistics was included again in the agenda of the Eighth ICLS in 1954. The main concern of that Conference was to review the definitions and methods of implementation of the resolution on employment and unemployment statistics adopted by the Sixth ICLS. Certain difficulties had been encountered by some countries in implementing the resolution and, moreover, the Sixth ICLS itself had indicated the desire for a new examination of the international recommendations as sufficient knowledge and experience were acquired. The Eighth ICLS adopted a resolution concerning statistics of the labour force, employment and unemployment, a set of recommendations which is still in force.⁵

Eleventh ICLS (1966)

8. In view of the increasing concern about development and economic growth and the problems of inadequate employment and low utilisation of manpower, particularly in developing countries, the ILO took up the issue of measuring and analysing underemployment in its various forms. The issue was discussed at the Sixth and Eighth ICLS and a resolution proposing certain steps towards the establishment of international standards on the subject was adopted by the Ninth ICLS in 1957. These recommendations were reviewed in 1963 by a Meeting of Experts on the Measurement of Underemployment, which stressed the complexity of the underemployment phenomenon and the difficulty of recommending any single method for measurement applicable in all circumstances and yielding internationally comparable statistics. The Eleventh ICLS in 1966 reviewed the various aspects of underemployment in the light of national and international experiences and adopted a resolution concerning the measurement and analysis of underemployment and under-utilisation of manpower. The resolution superseded the 1957 resolution and continues to be the international recommendation on the subject currently in force.

Need for revision

9. During the last 15 years or so new conditions, new concerns and new practices have emerged and it is again recognised that certain aspects of the existing international recommendations require reorientation, clarification and extension. Four major developments stand out.

Changing employment conditions

10. There is a growing concern about the deterioration of employment conditions, particularly in developing countries, the changing character of the labour market in some industrialised countries, and the scale of international migration of labour. One aspect of this concern relates to economic and demographic forces. These are said to have resulted in a widening gap between employment opportunities and the size and composition of the labour force. Another aspect has to do with technological changes, psychological factors and social protection schemes, which have led to new statuses and forms of employment, such as temporary and part-time employment, and different forms of unemployment, such as discouragement due to lack of job prospects.

11. There is also an increasing awareness of the existence of large and growing numbers of individuals and households, mainly in the rural areas and the urban informal sectors of developing countries, who are unable to ensure their economic well-being on the basis of the employment opportunities available to them. Though this problem is now widely recognised, there seems to be less agreement about how it can be solved. A certain reorientation of the existing international recommendations is therefore necessary in order to provide better information on these particular aspects of employment conditions and trends, as well as the information required for appropriate decisions.

Role of women

12. The past decade has also seen the emergence of an important social force encompassing more than half the population of the world. The ideas of the movement of women have affected all aspects of social and economic life and, in particular, the organisation of economic activities and the labour process. One statistical implication of these ideas is the need to re-examine the existing concepts and methods so as to improve the conceptualisation and measurement of the participation of women in economic activities both in and outside the home. Another implication is the need to expand the information base so as to provide separate statistics reflecting more accurately the specific employment issues and problems related to women.

Methodological and technical advances

13. Another development is the increasing sophistication of survey techniques and computer applications and their widespread use. The wider use of improved survey techniques to measure employment and related characteristics has brought to light certain inadequacies of the present concepts and definitions, especially as they apply to the employment situations in developing countries and particular categories of workers. Comparison of statistics over time has also become an important issue, as the conceptual limitations have meant that many developing countries have had to make frequent changes in the national concepts and definitions in the course of experimentation.

14. Further, the expanding availability and potential of computers have substantially increased the possibility and demand for more disaggregated and comprehensive data and a better utilisation of administrative records for statistical purposes.

15. Another feature is the development of integrated survey programmes, in particular the National Household Survey Capability Programme.⁶ In such integrated programmes, employment data are no longer seen in isolation but in relation to a larger variety of socio-economic variables such as income and its distribution, ownership of productive assets and outputs of households including household enterprises, demographic characteristics and migration, household and family structure, position of women and children, working conditions and conditions of health, education, literacy, and access to and use of related facilities and services.

Increasing interdependence among countries

16. The increasing interdependence of countries and the spread of global and regional co-operation arrangements have created a greater demand for internationally comparable employment and unemployment statistics. While the improvement of international comparisons has always been one of the objectives of the international recommendations on employment and related statistics, the rigour demanded now is stricter than in the past. This implies, in particular, a review of the existing standard definitions of employment and unemployment so as to facilitate and refine international comparisons of the required statistics.

ILO reports and meetings

17. The need to update the existing international recommendations concerning statistics of the labour force, employment, unemployment and underemployment has been discussed in numerous forums, reports and publications of the ILO and other international and national organisations.⁷ The reports of the ILO employment

missions⁸ to various developing countries and the Declaration of the World Employment Conference (1976)⁹ have in particular focused attention on the scarcity of adequate statistical data for purposes of planning and policy making as they relate to employment in general, and to the urban informal sector and the lowest income groups in particular.

18. At its 213th Session (May-June 1980), the Governing Body of the ILO recognised the need for revision, and decided to convene a Meeting of Experts with the following terms of reference: "to advise on updating and revision of definitions, classifications, coverage and nature of statistics on labour force, employment and unemployment". The Meeting of Experts was held in Geneva from 6 to 10 April 1981. It was attended by ten experts from different regions of the world and had before it seven technical documents prepared by the Office and the three ILO Regional Household Survey Experts for Africa, Asia and the Pacific, and Latin America, describing national practices and experience in measuring the economically active population. In accordance with its terms of reference, the meeting reviewed the existing national experiences and current practices concerning concepts, definitions, methods of measurement, collection, classification, tabulation and analysis of employment and unemployment, as well as underemployment data. Several questions were raised regarding the applicability of the labour force approach, including the unemployment and underemployment concepts, in many parts of the developing countries, particularly the rural agricultural areas and the household enterprise sectors. Some of the assumptions and practices of the labour force approach, e.g. priority criterion, treatment of unpaid workers, etc., were also questioned. It was suggested that adequate supplementary data should be considered in a way that recognises the differential relevance of the data to the various economic sectors and that adequate attention should be paid to the quality of primary data. In order to deal with alternative definitions of employment, unemployment and certain types of underemployment, a building-block approach that would permit different aggregation of the data for alternative purposes and uses was discussed. In that context an approach for collecting data without pre-conceived definitions and presenting the results with sufficient disaggregation for analytical purposes was also considered.

19. The report of the Meeting of Experts was noted by the Governing Body of the ILO in May 1981 and the Director-General was authorised "to work out revised draft international recommendations for statistics of labour force, employment and unemployment to be put before the Thirteenth International Conference of Labour Statisticians". The present report has been prepared in the light of the deliberations of the Meeting of Experts and other studies.

Scope and organisation of the report

Scope

20. The main concern of the report is with concepts and definitions and the scope, quality and nature of statistics to be collected and disseminated by national statistical organisations. Certain measurement issues are also covered. Following the Conference, it is planned to prepare a manual covering the whole range of issues, including collection and processing of the data and methods and analyses of the statistics.

Organisation

21. The remainder of the report is organised into two parts: Part One examines the present international recommendations (Chapter I), the national practices (Chapter II), and the methods of international comparisons (Chapter III); in Part Two the main aspects of employment and measurement objectives are described (Chapter IV) and proposals are made concerning the revised framework, concepts and definitions (Chapter V), the major characteristics and classifications (Chapter VI), and data collection and dissemination (Chapter VII). The elements of the proposals are then consolidated into a draft resolution for consideration by the Conference and are presented as an annex to the report.

Notes

¹ ILO: Constitution of the International Labour Organisation and Standing Orders of the International Labour Conference (Geneva, 1980), p. 23.

² ILO: International recommendations on labour statistics (Geneva, 1976), pp. 25-36.

³ Initially, discussions took place at the First ICLS in 1923, where suggestions were made to take up the collective efforts begun by the International Unemployment Association and the International Statistical Institute in 1911, interrupted by the war.

⁴ Meanwhile, the Committee of Statistical Experts of the League of Nations had drawn up proposals for improving international comparability of census data on the economically active population, including a definition of that population, called the "gainfully occupied population". For details, see League of Nations: Statistics of the gainfully occupied population: Definitions and classifications recommended by the Committee of Statistical Experts (1938, II.A.12), Studies and reports on statistical methods, No. 1 (Geneva, 1938).

⁵ In 1966 and 1979, the Statistical Commission of the United Nations, in the principles and recommendations relating to population censuses, adopted basically the same definitions and nature of statistics for the measurement of the economically active population.

⁶ The National Household Survey Capability Programme is a major, systematically organised effort, co-sponsored by the United Nations, UNDP and the World Bank, to help developing countries to build enduring and effective national survey apparatus able to provide them with a continuing flow of integrated statistics needed for their national development plans, policies and programmes; for details, see United Nations: The National Household Survey Capability Programme: Prospectus (New York, 1980).

⁷ ILO: Concepts of labour force underutilisation, Employment research papers (Geneva, 1971); Report of the ASEAN Seminar on concepts, techniques and methods of data collection regarding employment, underemployment and unemployment (Jakarta, 25 July-3 August 1977); ILO: Measuring the adequacy of employment in developing countries, Paper prepared for the United Nations Economic and Social Council, Committee for Development Planning, Eighth Session (Geneva, 10-21 April 1972).

⁸ ILO employment mission reports: Colombia: Towards full employment, A programme for Colombia (Geneva, 1970); Sri Lanka: Matching employment opportunities and expectations, A programme of action for Ceylon (Geneva, 1971); Kenya: Employment, incomes and equality, A strategy for increasing productive employment in Kenya (Geneva, 1972); Iran: Employment and income policies for Iran (Geneva, 1973); Ethiopia: Employment and unemployment in Ethiopia, Report of the Exploratory Employment Policy Mission (Geneva, 1973); Philippines: Sharing in development, A programme of employment, equity and growth for the Philippines (Geneva, 1974); Dominican Republic: Generación de empleo productivo y crecimiento económico: El caso de la República Dominicana (Geneva, 1975); Sudan: Growth, employment and equity, A comprehensive strategy for the Sudan (Geneva, 1976).

⁹ ILO: Declaration of Principles and Programme of Action adopted by the Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour (Geneva, 4-17 June 1976), paras. 30-31.

P A R T O N E

CHAPTER I

THE PRESENT INTERNATIONAL RECOMMENDATIONS

22. The present international recommendations on employment and related statistics are contained in the following resolutions:

- (a) resolution concerning statistics of the labour force, employment and unemployment, adopted by the Eighth International Conference of Labour Statisticians (November-December 1954);
- (b) resolution concerning measurement and analysis of underemployment and under-utilisation of manpower, adopted by the Eleventh International Conference of Labour Statisticians (October 1966).

23. In addition, the Statistical Commission of the United Nations adopted principles and recommendations on topics and tabulations concerning economic characteristics of the economically active and not economically active population for population censuses (Fourteenth Session, October 1966, and Twentieth Session, February-March 1979). Previously, in 1938, the Committee of Statistical Experts of the League of Nations had recommended a definition of the gainfully occupied population for improving international comparability of census data on the economically active population.

Resolution concerning statistics of the labour force, employment and unemployment - Eighth ICLS (1954)

24. The general objectives of the resolution are stated in broad terms: "to provide an adequate statistical basis for the analysis of economic and social problems of the labour force, of employment and unemployment, and, in particular, for the formulation and application of policies designed to promote economic development". It is further stated that the statistics "should be developed in accordance with the specific needs of each country in the light of its social and economic structure and, in so far as possible, in accordance with international standards in order to promote comparability among countries".

Definitions

25. The relevant part of the text of the resolution on the definitions of the labour force, employment and unemployment is reproduced below. The definitions are based essentially on three main features. The first feature is the concept of activity according to which, in principle, a person above a specified age must be at work for pay or profit (employed) or currently available and seeking work for pay or profit (unemployed) to be included in the labour force. The second feature is the notion of a specific brief reference period for which the activity is to be recorded. The third feature is the classification of the population into the categories employed or unemployed according to an implied priority rule which gives employment precedence over unemployment for measurement purposes.

26. There are certain exceptions and details incorporated in the definitions regarding unpaid family workers, persons who were temporarily absent from their job, layoffs, persons without a job who had made arrangements to start a new job at a date subsequent to the specified period and the armed forces.

Scope and nature of statistics

27. The recommendations identify seven categories for which separate statistics should be obtained: the civilian labour force; the employed; the unemployed; the employees of establishments; the employees in main non-agricultural industries; agricultural employment; and the armed forces. There are fifteen recommended characteristics on which statistics are to be obtained depending on the particular population category, the source of the statistics and the periodicity of data collection. The characteristics are: sex; age; marital status; occupational group;

Resolution concerning statistics of the labour force,
employment and unemployment adopted by the
Eighth International Conference of Labour Statisticians
(November–December 1954)

[Partial text]¹

Definition of labour force

4. The civilian labour force consists of all civilians who fulfil the requirements for inclusion among the employed or the unemployed, as defined in paragraphs 6 and 7 below.

5. The total labour force is the sum of the civilian labour force and the armed forces.

Definition of employment

6. (1) Persons in employment consist of all persons above a specified age in the following categories:

- (a) at work; persons who performed some work for pay or profit during a specified brief period, either one week or one day;
- (b) with a job but not at work; persons who, having already worked in their present job, were temporarily absent during the specified period because of illness or injury, industrial dispute, vacation or other leave of absence, absence without leave, or temporary disorganisation of work due to such reasons as bad weather or mechanical breakdown.

(2) Employers and workers on own account should be included among the employed and may be classified as "at work" or "not at work" on the same basis as other employed persons.

(3) Unpaid family workers currently assisting in the operation of a business or farm are considered as employed if they worked for at least one-third of the normal working time during the specified period.

(4) The following categories of persons are not considered as employed:

- (a) workers who during the specified period were on temporary or indefinite lay-off without pay;
- (b) persons without jobs or businesses or farms who had arranged to start a new job or business or farm at a date subsequent to the period of reference;
- (c) unpaid members of the family who worked for less than one-third of the normal working time during the specified period in a family business or farm.

Definition of unemployment

7. (1) Persons in unemployment consist of all persons above a specified age who, on the specified day or for a specified week, were in the following categories:

- (a) workers available for employment whose contract of employment had been terminated or temporarily suspended and who were without a job and seeking work for pay or profit;
- (b) persons who were available for work (except for minor illness) during the specified period and were seeking work for pay or profit, who were never previously employed or whose most recent status was other than that of employee (i.e. former employers, etc.), or who had been in retirement;
- (c) persons without a job and currently available for work who had made arrangements to start a new job at a date subsequent to the specified period;
- (d) persons on temporary or indefinite lay-off without pay.

(2) The following categories of persons are not considered to be unemployed:

- (a) persons intending to establish their own business or farm, but who had not yet arranged to do so, who were not seeking work for pay or profit;
- (b) former unpaid family workers not at work and not seeking work for pay or profit.

¹ International recommendations on labour statistics, op. cit., pp. 28–29.

branch of economic activity; status (as employer, employee, etc.); region; number of hours worked per week; cause of absence from work; duration of unemployment; job attachment; size of establishment; form of ownership (private, public, co-operative etc.); agricultural vs. non-agricultural employment; and seasonal movement. In the case of classifications by occupational group, branch of economic activity, status (as employer, employee, etc.) and duration of unemployment, specific guidelines are given on the desirable classification schemes to be followed for the presentation of the statistics.

Sources and periodicity

28. Recommendations concerning source and minimum periodicity of the statistics distinguish between benchmark data and current series. The benchmark data should be obtained from censuses of population and establishments at least every ten years and should provide the fullest possible detail on the corresponding recommended statistics. Regarding the current series (with periodicity at least once a year), no specific sources are suggested though mention is made of establishment and labour force sample surveys as possible sources.

Resolution concerning measurement and analysis of underemployment and underutilisation of manpower - Eleventh ICLS (1966)

29. The 1966 resolution was intended to provide guidelines on the measurement and analysis of underemployment, recognised to be a major concern especially in peasant farming in developing countries, but also in "other smaller establishments, economically lagging regions, declining industries, e.g., coal mining in industrialised countries, seasonal work, such as in agriculture or construction, and worker categories particularly vulnerable to discrimination in employment on grounds of sex, age, nationality, race, etc."

Concepts

30. The resolution distinguishes between two principal forms of underemployment: visible and invisible. It does not provide formal definitions of these concepts, but identifies certain variables - duration of work, income, occupational skill and productivity - as basic elements involved in measuring underemployment. The relevant part of the text of the resolution on the concepts of underemployment is reproduced below.

Methods

31. The resolution gives some details on the elements and methods of measuring and analysing visible and invisible underemployment. Regarding visible underemployment two major elements are distinguished: (a) the number of underemployed persons and (b) the quantity of underemployment (in terms of man-years, man-days and man-hours). The first element is to be identified by classifying persons in employment according to duration of work, measured in terms of hours or days per week, days per month, days or weeks per year and so on, and distinguishing all persons in employment of less than normal duration for economic reasons from the others. The second element is to be estimated by analysing data on the distribution of visibly underemployed persons by the duration of work or the duration of extra time available for work.

32. Regarding invisible underemployment, two forms are distinguished: disguised and potential. Disguised underemployment is to be analysed according to the income or skill underutilisation criterion. Potential underemployment is to be analysed by the criterion of low productivity. The concept of "labour surplus" or "labour force reserves" is also introduced, while mentioning that it can be estimated "by comparing labour units available and labour units actually utilised or required under various assumptions regarding productivity".

33. In virtually all cases no specific methods of measurement are mentioned except to identify labour force and other surveys as possible sources of statistics on underemployment and to draw attention to certain limitations that may arise in practice.

Resolution concerning measurement and analysis of
underemployment and underutilisation of manpower
adopted by the Eleventh International Conference
of Labour Statisticians (October 1966)

[Partial text]¹

Concepts of underemployment

4. Underemployment exists when a person's employment is inadequate, in relation to specified norms or alternative employment, account being taken of his occupational skill (training and working experience). Two principal forms of underemployment may be distinguished: visible and invisible.

5. (1) Visible underemployment is primarily a statistical concept directly measurable by labour force and other surveys, reflecting an insufficiency in the volume of employment. It occurs when a person is in employment of less than normal duration and is seeking, or would accept, additional work.

(2) Invisible underemployment is primarily an analytical concept reflecting a misallocation of labour resources or a fundamental imbalance as between labour and other factors of production. Characteristic symptoms might be low income, under-utilisation of skill, low productivity. Analytical studies of invisible underemployment should be directed to the examination and analysis of a wide variety of data, including income and skill levels (disguised underemployment) and productivity measures (potential underemployment) to which some further reference is made below.

¹ International recommendations on labour statistics, op. cit., pp. 33-34.

CHAPTER II

NATIONAL PRACTICES

34. The national practices in the industrialised market economies, the centrally planned economies and the developing countries are reviewed in this chapter with a view to identifying the main aspects of the present international recommendations that require revision or extension.

Practices in industrialised market economies

35. The labour force framework embodied in the 1954 resolution was formulated in the industrialised countries and, naturally, designed to reflect issues that were important in those countries at the time, i.e. unemployment and related economic and social problems. Although perhaps none of these countries are now faced with the same type of unemployment problem as before, data based on the labour force framework continue or are planned to be collected in many of these countries. One reason for this sustained interest is the judgement that the basic idea of dividing the population of working age into employed, unemployed and economically inactive is still valid and to some extent continues to capture the basic elements of the labour market in the industrialised countries (and the organised urban sectors of the less industrialised countries as well).

Emerging issues

36. While the definitions and the nature of statistics used for measuring the labour force and its components in the sample surveys of most industrialised market economies are reflected to a large extent in the recommendations of the 1954 resolution, most countries have nevertheless been led to introduce certain modifications and extensions to take account of changes in labour market conditions and social and economic development that have occurred since 1954. One major change is that the conditions of labour market are much less rigid now and, owing to the development of the part-time employment market and flexible working time, several groups of persons who formerly did not take part in any or in more or less regular economic activity are now doing so by combining their principal activity (as housewife, student, etc.) with a remunerated occupation. Another recent development is the changing character of the association between unemployment and low income. In the 1950s, with the limited coverage of unemployment insurance benefits, unemployment generally meant being deprived of an income as well as a job. With the increasing coverage of social security schemes and income maintenance programmes that have now been instituted, the association between unemployment and lack of income has somewhat been weakened and as a result the interpretation of unemployment data is somewhat altered. This development may also have affected the length and intensity of job search activities with consequent implications for the incidence of the discouraged worker phenomenon.

Areas for updating

37. The implications of these and other emerging issues for the international recommendations on labour force statistics have been examined in detail at several international meetings, in particular at the Joint ECE/ILO Meeting on Manpower Statistics (Geneva, 16-20 July 1979), the OECD Working Party on Employment and Unemployment Statistics (Paris, June 1976, September 1977, March 1979, April 1980, June 1981), the EEC Seminar on the Measurement of Employment and Unemployment for Community Purposes (Luxembourg, December 1981), and the Conference of European Statisticians and other bodies affiliated with the United Nations in connection with the recommendations for the 1980 censuses of population and housing in the ECE region.

38. A number of specific areas for updating the international recommendations on employment and unemployment statistics, with a view to improving their international comparability, were identified. These may be grouped into four broad areas according to the type of updating involved. One area concerns clearer specifications of certain measurement criteria, namely the current availability and job

search criteria implicit in the definition of unemployment and the time limit criterion for inclusion of part-time workers other than unpaid family workers implicit in the definition of employment. Another area concerns modification of or precision in the treatment of particular categories of persons. These include categories explicitly mentioned in the 1954 resolution such as the armed forces, persons with a job but not at work, unpaid family workers, persons seeking work for the first time, persons on temporary or indefinite layoff, future starts, as well as persons not specifically mentioned, such as students, home-makers, apprentices and persons on training programmes, persons seeking part-time work, etc. The third area concerns standardisation of classifications, in particular age groups, hours of work and duration of unemployment. Finally, the fourth area concerns the scope and nature of statistics recommended in the 1954 resolution, which need to be extended in order to meet the increasing demand for new types of labour market data. These include more detailed and disaggregated data in order to identify the part-time labour force, persons in employment wishing to change jobs or seeking a supplementary job, categories of persons not in the labour force, including discouraged workers, as well as data on the volume of work, the family and economic status of persons in the labour force, particularly the unemployed, and the flows into, out of and within the labour force.

Practices in centrally planned economies

39. Most countries with centrally planned economies are members of the Council for Mutual Economic Assistance (CMEA).¹ The Standing Commission on Statistics of the CMEA has made a number of recommendations related to statistics of the economically active population and labour statistics.

Economically active population

40. One of the topics included in the minimum programme of general population censuses adopted in 1975 concerns² the breakdown of the population into economically active and economically inactive. In the CMEA member countries the economically active population comprises:

- persons hired as workers;
- members of agricultural and non-agricultural producers' co-operatives and working members of their families;
- members of families engaged in subsidiary farming;
- persons working on their own account (individual farmers, petty traders, persons in the liberal professions, craftsmen, etc.);
- helping family members (only persons helping in work regularly);
- servicemen (re-enlisted and officer personnel of the armed forces);
- permanently working pensioners;
- working prisoners;
- persons changing place of work.

41. Persons temporarily out of work (for example, seasonal workers in agriculture) and certain other categories are included in the economically active population. Persons looking for a job for the first time are specifically identified but excluded from the count of the economically active population. There are, however, certain variations in national practices regarding some of these categories, in particular first-time jobseekers, conscripts, and temporary working pensioners. Other related census topics are: place of work (branch of economy, form of property), occupation and social groups.

42. In May 1978 the Standing Commission on Statistics of the CMEA also adopted new standards for the compilation of principal current series on labour statistics. They refer in particular to (i) the number of registered wage earners and salaried employees, and (ii) the utilisation of working time.³

Number of registered wage earners and salaried employees

43. The number of persons registered in the labour force of an undertaking, an organisation or an institution comprises the permanent workers (full time and part time), seasonal workers and temporary workers with a contract of at least one day. Registration is made on the day of recruitment. In accordance with the legislation in force, the registers are kept up to date for each "calendar day" and must include all persons present at work and those who are absent for whatever reason. There are certain details and exceptions regarding persons working at home, working students, retired persons at work, military service personnel, multiple jobholders and other particular categories.

44. The resulting data are analysed in various ways, in particular by calculating average numbers and classifying by socio-economic categories. The monthly average number of registered wage earners and salaried employees is calculated by converting the number of part-time workers into full-time equivalent numbers on the basis of the normal hours of work as prescribed in their labour contracts and then averaging the resulting total over the number of days in the calendar month in question, treating holidays as working days. The monthly averages are used to derive quarterly, half-yearly and annual averages.

Utilisation of working time

45. For the purpose of calculating the degree of utilisation or non-utilisation of working time for production, recommendations are made for collecting statistics on working time actually utilised for production and on time not utilised, expressed in terms of worked man-days or worked man-hours if more exact measurement is required. The number of worked man-days is obtained by aggregating the days of actual presence of the workers concerned at the place of work, whatever may be the number of hours actually worked in the course of a day or the period considered.

46. The above concepts and definitions as well as the methods of data collection differ in varying degrees from the practice followed in countries with market economies, as well as from the recommendations of the Eighth ICLS (1954). While the differences raise difficulties in establishing common standards, it appears that it should be possible to make international comparisons in the case of economically active population and certain components of employment (wage earners, salaried employees, part-time workers, hours worked, etc.) and in the case of volume of work expressed in terms of man-days or man-hours.

Practices in developing economies

47. Most developing countries have begun to collect employment and related statistics through population censuses and labour force or other sample surveys, taking in varying degree the international recommendations as basic guidelines. Sooner or later, many have, however, had misgivings about the applicability of the international recommendations, and some have experimented with other approaches. Developing countries, as well as parts of the economies of the industrialised countries, are characterised by features that make some of the labour force concepts embodied in the present international recommendations neither easy to apply nor particularly meaningful, with the result that the data are often of a poor standard. Some of these features are: (a) the high incidence of subsistence activities and own-account, casual and unpaid household labour; (b) seasonality of work; (c) high incidence of multiple activities, jobholdings and underemployment; (d) limited job information channels; (e) limited coverage of social programmes; and (f) labour market segmentation.

Inadequacy of the basic framework

48. The prevalence of subsistence activities and unpaid household labour, particularly in the rural areas of developing countries, means that the demarcation of economic activities from other types of activities is not always clear-cut. For example, fetching water from long distances, collecting firewood,

wild vegetables and fruits, trapping bush animals, protecting crops, mending fences, etc., can be both economic activities and domestic chores. Unpaid community development work like filling ditches, cleaning tanks, etc., can be both an economic activity and a voluntary service. In fact, a majority of individuals may have mixed activities, both economic and non-economic. The seasonality of work in the rural sector means that the determination of the activity status of a person on the basis of the activity during a short reference period such as a week would not reflect the year-round activity pattern. The limited population and small size of rural localities mean that workers have a more or less complete knowledge of the availability of work in their areas and, therefore, do not generally engage in any job-seeking activities even when idle.

49. In the urban sector of developing countries there are also difficulties in applying the basic labour force concepts, particularly in the informal sector. The population categories associated with the urban informal sector are generally engaged in own-account and casual work, in multiple activities and multiple jobs with low productivity. This means that the breakdown of the working population into the employed, the unemployed and persons not in the labour force cannot adequately reflect the employment conditions of the urban informal sector. Moreover, because of the absence of social security programmes and unemployment insurance schemes in this sector, virtually all adult able-bodied persons are, in order to survive, necessarily engaged in some type of income-generating activities, including activities that may be regarded as illegal or socially undesirable activities, and therefore no one is really fully unemployed.

Limitations of the underemployment concepts

50. The introduction of the concepts of underemployment and underutilisation of manpower to deal with the inadequacies of the labour force framework, as applied particularly in the developing countries, did not however remove all the difficulties. The working time criterion embodied in the concept of visible underemployment raises problems of interpretation when applied to categories of workers other than employees. A substantial number of own-account workers and unpaid household workers in agriculture, trade and services, even if reporting very long hours of work, may not be fully employed. There is a tendency for persons in these categories to spread work over time rather than work short time when the demand for their products or services is low. Even in normal circumstances, their working pattern may tend to be determined to a greater extent by their own preferred pace of work or alternative ways of occupying their time than by the actual demand of the work at hand. Also, when the work is shared by other members of the household, the unit of reference is in effect not the individual person but the working members of the household as a group.

51. The usefulness of the income criterion as a symptom of employment adequacy in the measurement of invisible underemployment (disguised underemployment) has also been questioned. It has been argued that, although under ideal conditions income may be regarded as reflecting productivity, owing to institutional factors, price fluctuations and other non-ideal conditions, income may not be a satisfactory proxy for productivity. For example, the low income received by a full-time domestic help may be due more to the institutional setup than to low productivity. Similarly, the variations in the income received by a self-employed worker may be due to a larger extent to price fluctuations than to productivity. Thus, a low income may not necessarily mean an inadequate utilisation of labour.

52. In addition to conceptual issues, the international recommendations on the measurement and analysis of underemployment and underutilisation of manpower have been criticised for their limited operational content. The international recommendations do not specifically state how the various forms of underemployment should be measured (except for visible underemployment) or how they should be linked together.

Selected frameworks adopted or tried out by various national statistical offices

53. Given these and other limitations of the labour force framework, some countries have found it necessary to elaborate or experiment further with the framework. The various frameworks adopted or tried out by national statistical offices in their recent survey or census programmes, which differ from or substantially extend the labour force framework, do so essentially with respect to the choice of

the time reference period, the use of labour time and persons as measurement units, and the incorporation and measurement of underemployment. This section briefly reviews selected frameworks representing these various elements. The selected frameworks or approaches are: the current and usual status approach; the labour time disposition approach; and the labour utilisation framework.

The current status and usual status approaches

54. One of the main features of the labour force framework is the notion of a specified brief reference period - one week or one day - for which the activity status is to be recorded. The brief reference period is intended for measuring the current status and the current employment characteristics of the population. Unless repeated measurements are made, however, the brief reference period may not be appropriate for obtaining an over-all picture of the structure of the labour force, particularly where there are substantial seasonalities and irregularities in the employment and unemployment patterns. For this reason, some countries, particularly in their census programmes,⁴ have adopted a longer reference period, such as the past month, quarter, 12 months or calendar year, and have measured the usual status of the population. The particular advantage of a long reference period and the usual status approach is that when a survey can be conducted only once in the year and with only a brief enumeration period, it can provide information on the economic activity of most consequence to each person. One of the greatest drawbacks, however, is the difficulty of determining activity status, occupation and industry over a period as long as a whole year. Although similar problems exist for the brief reference period, they loom bigger for the longer reference period since there is obviously more possibility of movement and change over a long period than over a short period, such as a week.

55. Some countries have combined the current status and usual status approaches in the same survey or census, for example by supplementing the basic information on current activity status obtained through the use of a brief reference period with additional information on usual activity status based on a longer reference period, or vice versa. A variation of this method, incorporated in certain surveys, consists in using the brief reference period for identifying persons inside the labour force but using a specified longer reference period for identifying persons outside the labour force with work experience during the specified period or those awaiting the agricultural season or other seasonal work.

56. The choice between the current status approach and the usual status approach or between one approach and a combination of the two, should be based on the data collection programme, which in turn will be dictated by objectives, resources and constraints.

The labour time disposition approach

57. The labour time disposition approach was adopted in the last two five-yearly surveys of employment and unemployment in India.⁵ The broad outline of the approach was formulated by an Expert Committee in 1969⁵ based on results of earlier experiences in conducting employment and unemployment surveys in India. Some of the elements of the approach, with adaptations, have been carried out or proposed in certain other countries.⁶

58. Noting that most people are neither fully employed nor fully unemployed in a developing economy, the Committee rejected the idea of classifying individuals as employed and unemployed, as unproductive, as serving no useful purpose. Furthermore, a single measure of unemployment (based on current activity) was not deemed meaningful as it would confound persons who are continuously unemployed with those who are seasonally unemployed. The Committee agreed that the practice of counting only those who do not work even for a single day in a week underestimated unemployment, and therefore suggested that instead of classifying persons as employed and unemployed, the units of work performed, recorded in man-days, should be aggregated and expressed as a percentage of the total number of man-days available for work (in the labour force). This measure "will show the proportion of unemployed in the labour force on any one day, on the average, during the given season/subround indicating the extent of underutilisation of the available labour supply". The Committee also emphasised the need for obtaining separate season-wide estimates of rural unemployment for different segments of the population, by sex and education. These recommendations were implemented for the first time in the 27th round of the National Sample Survey (1972-73) which was devoted entirely to employment and unemployment, and with a few significant changes in the 32nd round (1977-78).

59. The main innovation of the labour time disposition approach is the estimation of current unemployment in terms of labour time unemployed (measured in man-days)⁷ as a percentage of labour time available for work (in the labour force) during the reference week. The ratio is intended to provide a measure of under-utilisation of labour. It includes not only current unemployment but also current underemployment to a large extent.

The labour utilisation framework and measurement of underemployment

60. The labour utilisation framework was developed in the early 1970s and has been applied to date mainly in South-East Asian countries: Hong Kong, Indonesia, Malaysia, the Philippines, Singapore and Thailand.⁸ The framework is intended to provide indicators of "inadequate employment", by operationalising the concepts of underemployment that were formulated by the Eleventh ICLS in 1966 with minimal additional data requirements.

61. In measuring the inadequacy of employment, it is assumed that inadequate employment is multi-faceted, involving employment with inadequate use of time, level of income and use of skill as well as unemployment. It is further assumed that inadequate employment is involuntary and may affect any category of workers regardless of commitment, attachment, or economic welfare. Inadequate employment is to be measured on the basis of symptoms, not causes, with the individual as the primary unit of analysis.

62. The operational procedures of the labour utilisation framework involve certain measurement elements and particular tabulation schemes. The measurement elements may vary according to the context in which they are applied, but in principle each of the specified four forms of inadequate employment requires two elements for its measurement: an indicator of the particular symptom and a cut-off that distinguishes adequate from inadequate employment.

63. The tabulation scheme depends on whether the net or gross underutilisation is being measured. In the case of net underutilisation, the individual is the unit of analysis and only one form of inadequate employment may be assigned to each individual. This is done in a particular order to ensure a mutually exclusive hierarchy for tabulating the symptoms and to reflect the priorities assigned to the various forms of inadequate employment.

64. Since every worker could be inadequately employed by more than one form, the concept of gross underutilisation has been introduced. In measuring gross underutilisation, the symptoms become the unit of analysis, and not the persons. A worker inadequately utilised by both income and skills would be counted twice; one inadequately utilised by hours, income, and skills would be counted three times, and so on.

65. Among the countries which have experimented with the labour utilisation framework, Thailand has at present adopted the framework as part of its regular half-yearly labour force survey since 1977. To indicate the type of statistics that would be obtained on the basis of the labour utilisation framework, a summary table based on the results of the three available rounds of the survey is presented below. The results (based on the net underutilisation concept) indicate that unemployment is only a small part of inadequate labour utilisation in Thailand. The major issue seems to be inadequate utilisation by income, while mismatch (between education level and occupation) appears to be irrelevant at the national level. The numerical values, however, depend to a large extent on the underlying assumptions regarding the choice of indicators, their assigned priorities, and the level of cut-offs. Illustrative statistics computed for the United States, based on slightly different technical assumptions, show an increased inadequate utilisation rate of 33.8 per cent in 1976, up from 25.1 per cent in 1960,⁹ suggesting that increasingly there are relatively more inadequately employed persons in the United States than in Thailand.

Percentage of persons in the labour force by type of inadequacy of employment, Thailand, 1977-78

	Jan.-Mar. 1977	June-Sep. 1977	Jan.-Mar. 1978
Labour force	100.0	100.0	100.0
Adequately utilised	69.3	63.6	72.2
Inadequately utilised	30.7	36.4	27.7
- Unemployed	1.3	0.8	1.1
- Hours of work	4.8	3.8	3.8
- Income	24.6	31.7	22.6
- Mismatch	0.0	0.0	0.0

Source: Report of the labour force survey, whole Kingdom (Round 1), Jan.-Mar. 1977; (Round 2), July-Sep. 1977; (Round 1), Jan.-Mar. 1978, National Statistical Office, Bangkok.

66. These and other results have led to mixed conclusions. Because it focuses attention on employment adequacy and not merely unemployment, the labour utilisation framework is regarded as particularly relevant to conditions in developing countries. Also, the fact that it can be used as an extension of the labour force approach is an advantage. This framework, however, retains the problems of the labour force framework. It has also been criticised with regard to the income and mismatch forms of inadequate utilisation (invisible underemployment). It is argued that in many situations income may not be a close indicator of productivity and, therefore, a low income may not necessarily imply an inadequate utilisation of labour. Furthermore, the income data that are relevant for linking with employment data are often difficult to obtain in surveys of this nature. The need to use cut-off points, which are often unstable and arbitrary, is also regarded as a drawback. The "mismatch" category has also raised certain problems of definition and interpretation. The category applies essentially to persons with at least secondary or vocational training, a segment of the population which is relatively small in many developing countries. Also, as education increases over time, the meaning of mismatch becomes more open to question. Besides, some persons with higher education may voluntarily choose lower occupations than are commensurate with their education, thus making interpretation of the mismatch category more difficult.

67. A number of Latin American countries have attempted, with other methodologies, to measure forms of underemployment and integrate them into their regular labour force surveys. Here too the record seems to be mixed. While visible underemployment has to some extent been successfully measured and integrated, the difficulties have proved much greater in the case of invisible underemployment. Of the 13 countries examined in a background paper,¹⁰ ten collected the necessary information for measuring visible underemployment, and of these seven actually published separate data on the topic. Regarding invisible underemployment (in the sense of low income), only three of the countries published separate statistics. The difficulties encountered in measuring invisible underemployment were, in particular, the unreliability of measured income for certain categories of workers and the problems of interpreting low income as a symptom of labour underutilisation.

68. In Africa, while many countries collected data on the economic activities of the population in the course of the 1970 and 1980 rounds of population and housing censuses, only a few have recently conducted in-depth labour force surveys of the type necessary to measure underemployment. However, the results and published reports of these surveys are not yet available because of bottlenecks arising in the processing of data and a critical assessment of the experience of these surveys therefore is not yet possible.¹¹

69. Measurement of underemployment is receiving increasing attention not only in developing countries but also in industrialised countries. At present, however, virtually no country is producing official statistics on this topic, although a number of alternative measures may be derived from regular published data of certain countries (e.g. the United States). It should also be mentioned that in some

countries (e.g. Norway) where experimental work on the measurement of visible underemployment has been carried out recently, the results have revealed that "over-employment", i.e. people working longer hours than they would have wanted, in fact involved more persons and more hours than "underemployment".

70. These and other issues regarding the applicability of the labour force framework and the measurement of underemployment have been repeatedly debated at the ILO and other forums with no unanimous conclusion being reached. Some points, however, seem to be clear. Given the heterogeneity of economies in developing countries and the existence of an urban formal sector that resembles the labour market structure of industrialised countries, the issue is not so much the applicability of the labour force framework in developing countries, but rather of how to cope with such heterogeneity. Also attention needs to be focused not so much on absolute concepts of underutilisation as on the relationship between employment and income.

Notes

¹ Bulgaria, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Romania, USSR and Viet Nam.

² Council for Mutual Economic Assistance: "Methodological principles of census taking in the CMEA member countries", in Some topical methodological problems in official statistics (Helsinki-Moscow, 1980), CMEA Secretariat and Central Statistical Office of Finland.

³ Secretariat of the CMEA: Methodological principles relating to the basic indicators of labour statistics in the countries members of the CMEA (in Russian) (Moscow, June 1978). An abstract in English and French with a summary in Spanish may be found in ILO: Bulletin of Labour Statistics, 1980, 1st quarter, pp. XXVII-XXXII. Recent and more detailed information in English on the system of labour statistics in the USSR may be found in R.I. Zhukov: "Labour statistics and accounting in the USSR", and O.I. Shafranov: "Single-time labour surveys", Papers presented at the Seminar on Labour Productivity Statistics, organised by the UN Economic and Social Commission for Asia and the Pacific and the Central Statistical Office of the Union of Soviet Socialist Republics (Moscow, 19-28 Aug. 1981).

⁴ Regarding international recommendations on population censuses, see United Nations: Principles and recommendations for population and housing censuses, Series M, No. 67 (New York, 1980), Sales No.: E.80.XVII.8.

⁵ Indian Planning Commission, Expert Committee on Unemployment Estimates, 1969.

⁶ ILO: "Labour force surveys in Asia", Background paper MEHS/1981/D.6 for the ILO Meeting of Experts on Household Surveys (Geneva, 6-10 April 1981).

⁷ The daily activity status is in fact measured in units of half-days in order to bring a little more precision.

⁸ Philip M. Hauser: "The measurement of labour utilisation", in The Malayan Economic Review (Singapore), Vol. XIX, No. 1, Apr. 1974, pp. 1-15. The framework has been further developed by T.A. Sullivan and P.M. Hauser in: "The labour utilisation framework: Assumptions, data and policy implications", in Counting the labor force, Appendix Vol. 1, Concepts and data needs, National Commission on Employment and Unemployment Statistics (Washington, D.C., 1979), pp. 246-270.

⁹ *ibid.*, p. 263.

¹⁰ Argentina (V); Bolivia; Brazil; Colombia; Costa Rica (both V and I); Chile; Ecuador; El Salvador; Mexico (V); Nicaragua (both V and I); Panama; Peru (both V and I); Venezuela (V). The symbols V and I refer to the existence of published statistics on visible and invisible underemployment, respectively. Source: ILO: "Descripción de las características de las encuestas de hogares de trece países de América Latina, para la medición de empleo, desempleo y subempleo", Background paper MEHS/1981/D.7 for the ILO Meeting of Experts on Household Surveys (Geneva, April 1981).

¹¹ For a brief description of some of these surveys (Kenya, Lesotho, Morocco) see ILO: "Highlights from labour force surveys in African countries", Background paper MEHS/1981/D.5 for the ILO Meeting of Experts on Household Surveys (Geneva, April 1981).

CHAPTER III

INTERNATIONAL COMPARISONS

71. The type of statistics and degree of comparability required for international comparisons of labour force, employment, unemployment and under-employment may not be obtained necessarily by assembling national statistics with the same or similar headings. The international comparability of national statistics can be improved only if specific efforts are made to that end. Owing to the inherent differences in institutional settings, measurement objectives and practices among countries, a method must be worked out to permit greater international comparability of the statistics, while at the same time providing the necessary flexibility for enabling countries to develop statistical systems in line with their specific needs and social and economic circumstances.

Purposes and uses of international comparisons

72. Internationally comparable employment and related statistics, to the extent that such comparison can be achieved, serve a variety of purposes at several levels of use. At the international or regional level, comparable statistics are needed for co-ordinating and monitoring international development strategies and regional labour market policies; for facilitating decisions on global disbursements of funds and technical assistance; for monitoring international manpower movements and studying the effects of national policies on the international division of labour; and for forecasting the world employment outlook in general and the requirements and extensions of social security and social protection schemes where such exist.

73. At the national level, international comparability makes it possible to analyse and compare national objectives, policies and achievements in an international context and provides the country with comparative experience and information which can be used in devising and monitoring its own policies and programmes. In many countries special attention is paid to the national employment and unemployment implications of international economic trends and of trends in other countries not only because of a high degree of interdependence with other countries and with international and transnational organisations, but also because of limited historical experience of development and manpower planning and implementation. This is particularly so in developing countries, where there are constraints on the human and financial resources and policy options available to policy makers.

74. At the research level, internationally comparable employment and related statistics provide a unique set of data for studying labour force, employment and unemployment determinants, which may be constant within a country but vary between countries.

75. In addition, there is occasionally a need for statistics that can be internationally aggregated, a more demanding property than international comparability. Such aggregation is required, for example, for constructing measures of world or regional employment and unemployment levels and rates and for projecting labour force and dependency rates into the future.

Issues of international comparability

76. Two major issues must be resolved in order to improve the international comparability of employment and related statistics: first, the meaning of international comparability, and, second, the concept that should be made internationally comparable.

The meaning of international comparability

77. International comparability may be viewed from two different perspectives: (a) technical specifications of the statistics; and (b) contextual interpretation. From the technical standpoint, it may be said that statistics on a specific topic from two countries are internationally comparable if they are based on identical technical specifications. This means that the statistics are based on the same definitions, refer to the same period of time and calendar date, are of comparable reliability, and so forth. Of course, such a degree of comparability is seldom achieved in practice, nor is it always wanted. The point, however, is that comparability from the technical angle may be achieved in principle, should the need and resources exist.

78. Two statistics may, however, be technically comparable yet not comparable in interpretation. Let us take layoffs and work sharing as an example. In times of adverse economic conditions, firms may (a) lay off workers or (b) keep on workers but reduce the number of hours of work per day or days of work per week. Although both cases reflect a similar economic phenomenon, case (a) is considered as unemployment and case (b) as employment according to the present international definitions. Thus, in a country where institutional arrangements are biased towards (a), the unemployment rate is likely to be higher - everything else being equal, including definitions and technical specifications - than the rate in a country where institutional arrangements are neutral between (a) and (b) or biased towards (b).

79. Many other factors influence the interpretation of otherwise internationally comparable employment and unemployment statistics. Some are demographic, such as the growth and the age and sex composition of the labour force. Others are institutional, such as minimum wages, unemployment insurance and income maintenance programmes. Still others are related to social and cultural circumstances, such as the extent of self-employment, life-time employment and employer-employee relationships.¹

80. In practice, the most that one can expect to achieve in international comparability of statistics is the adjustment of national statistics to a standard set of definitions and technical specifications. The choice of the standard concept to be used for international comparison therefore is of crucial importance.

The concept for international comparisons

81. While international comparisons at present are mostly based on the unemployment rate or the labour force participation rate, other measures could also be used. A broader measure than the unemployment rate would include other forms of underutilisation, in particular the underemployed, in the sense of involuntary short-time work, and perhaps also the discouraged workers. Such a broad measure would minimise some of the non-comparability issues mentioned earlier (e.g. layoffs and work sharing) and make possible international comparisons among a wider range of countries.

82. A similar but more refined concept might be based on the amount of lost working time as measured, for example, by the difference between the number of potential hours available for work and the number of hours actually worked. Such a refined measurement, however, might be difficult to apply with sufficient degree of accuracy in many countries.²

83. The employment-population ratio, i.e. the proportion of the working age population that is employed, provides another useful yardstick for international comparisons. It has been considered in certain countries as a measure of the economy's ability to provide employment to a growing population and used in some cases as supplementary information in international comparisons of unemployment. The employment-population ratio has a number of properties. Neither the numerator nor the denominator involves counts of the unemployed, the labour force aspect that is most difficult to measure and compare among countries. Also, since both numerator and denominator are based on large quantities, sampling errors are reduced and detailed disaggregation made possible. Further, the ratio is less affected by short-term or cyclical factors and therefore may provide a suitable measure of long-term or structural trends.

Methods used by various international
and national agencies

84. Whatever concept is chosen as a basis for international comparison, it is unlikely that comparable statistics can be obtained directly from national sources. Methods must be devised for collecting comparable data purposely or adjusting existing national data. Different methods are currently used by various international and national agencies. They relate in most cases to industrialised countries. Methods used by the International Labour Office, the Statistical Office of the European Communities, the Organisation of Economic Co-operation and Development, the United States Bureau of Labor Statistics, and the French National Institute of Statistics and Economic Studies are briefly reviewed below.

International Labour Office

85. Soon after its creation in 1919, the International Labour Office became engaged in standardising labour statistics and compiling internationally comparable employment and unemployment statistics. The early attempts were based on statistics obtained from trade unions which paid unemployment benefits. These covered only a few branches of economic activity and only six Western European countries (United Kingdom, Germany, Denmark, Sweden, Norway, and the Netherlands) plus Australia, Canada and Massachusetts.³ Subsequently, interest shifted to the construction of international index numbers of the general level of employment and unemployment to show global trends of employment and unemployment. The methods adopted were similar to those used in constructing index numbers of prices.⁴

86. At present, as part of its labour force projection programme, the ILO publishes improved internationally comparable estimates of the labour force and labour force activity rates by sex and age group and of the total labour force in agriculture, industry and services by sex for countries of the world grouped into regions: Asia, Africa, Latin America, Europe, Northern America, Oceania and the USSR.⁵ The estimates provide the benchmark data for making labour force projections. They are mostly based on national population censuses and refer to mid-year periods of 1950, 1960 and 1970 (they are currently being extended to 1980). The method used to improve international comparability of the benchmark labour force data consists in adjusting, so far as possible, the original data to a standard concept (the ICLS (1954) labour force concept) with uniform scope and coverage and common age classification. Where the necessary data are available, they are used for the adjustments, otherwise adjustments are based on certain smoothing or imputation procedures using data from similar or neighbouring countries. The specific aspects for which adjustments are made include: concept of economic activity, unpaid family workers, unemployed, armed forces, period of reference, and the lower age limit for inclusion in the labour force. Special techniques are used in estimating the sex- and age-specific activity rates for countries for which no data are available.

Statistical Office of the European Communities

87. The Statistical Office of the European Communities (SOEC) collects on a regular basis statistics on employment and unemployment in order to follow trends in the member States and to provide statistical information for the Commission's policies. In this context it is particularly important to dispose of statistics as comparable as possible between the ten member countries. For current statistics, agreements on standardisation (registered unemployment) or harmonisation (employees by branches of activity - SOEC standard classification) have been reached, using data available in the different countries but compiled according to Community definitions or classifications. These efforts have not always come to a sufficient degree of comparability. A labour force survey has therefore been introduced by Council regulation, to be held every two years.⁶ This survey is based on common data items, definitions, coverage and data-processing procedures.

88. As organised by the SOEC, first an agreement is reached with the national statistical institutes concerned on the content and coverage of the survey, the list of questions, the coding of individual replies and the approximate size of the sample. Then, each national statistical institute designs and conducts the field work in its own territory, including sample selection, questionnaire design and interviewing. Subsequently, the results are forwarded to the SOEC in accordance with a standard punched card design and coding scheme. The SOEC is responsible for computer editing, data processing and dissemination.

89. Up to now, there have been three phases⁷ in the Community labour force survey, as indicated in the following tabulation:

Phase	Periodicity	Participating countries
1960	One-time survey	Federal Republic of Germany, France, Italy, Netherlands, Belgium, Luxembourg
1968-71	Annual	Federal Republic of Germany, France, Italy, Netherlands (only in 1968), Belgium, Luxembourg (not in 1968)
1973-	Biennial (in odd-numbered years)*	Federal Republic of Germany, France, Italy, Netherlands, Belgium, Luxembourg, United Kingdom, Ireland (not in 1973) and Denmark (not in 1973)

* The actual timing of the survey may be different in different countries, but it is generally conducted in the spring.

90. Each survey in the biennial series consists of two parts: a basic set of items (about 37, of which certain are optional) on demographic and economic characteristics of the population over 13 years of age; and a supplementary set which may vary from survey to survey - vocational and general training (1973 and 1979), working conditions and vocational training (1975) and pensioners and retirement conditions (1977). In addition, each country may add certain items of particular interest to its survey questionnaire.

Organisation for Economic Co-operation and Development

91. The Organisation for Economic Co-operation and Development (OECD) has been adjusting national employment and unemployment statistics for 1962 onwards, to produce quarterly seasonally adjusted unemployment rates, based on the international definitions adopted by the ICLS (1954), for 12 of the 24 OECD member countries - Australia, Canada, Finland, France, Federal Republic of Germany, Italy, Japan, Norway, Spain, Sweden, the United Kingdom and the United States. These member countries conduct regular household sample surveys, the results of which provide information for the adjustment of current national unemployment data which may be based on other sources.

92. The type and extent of adjustments vary from country to country and depend on the frequency of surveys, the closeness of the national definitions to the ICLS definitions and the availability of supplementary data for adjustment purposes.⁸ For the eight countries having monthly or quarterly labour force surveys, the adjustment procedure involves (a) identifying the differences between the survey definitions of unemployment and the ICLS definitions; (b) deciding whether adjustments are necessary; and (c) making those adjustments for which relevant data are available. This procedure has led to making no adjustments to data of five countries, namely Australia, Canada, Finland, Sweden and the United States. For the three other countries with monthly or quarterly labour force sample surveys (Italy, Japan and Norway), partial adjustments are made. For the four countries which publish their labour force sample survey results at intervals less frequent than a quarter (France, Federal Republic of Germany, Spain and the United Kingdom), the adjustment method is more complex. In addition to the three steps (a), (b), (c) mentioned above regarding definitional adjustments, there are also frequency-adjustment steps to derive quarterly data from less frequent data.

93. In order to improve and co-ordinate the existing attempts to produce international comparisons of unemployment, the OECD and its Working Party on Employment and Unemployment Statistics, after reviewing current practices in member countries, have reached specific conclusions on several issues relating to the international recommendations on statistics of the labour force, employment and unemployment. The main conclusions relate to (a) the amplification of the

recommendations on the concepts of job search and availability for work, and (b) the modification of the statistical treatment of "persons on temporary or indefinite layoff without pay", based on the results of the study commissioned by the Working Party⁹ (which will be discussed in Chapter IV).

United States Bureau of Labor Statistics

94. Since the early 1960s, the United States Bureau of Labor Statistics (BLS) has been carrying out a continuing programme of international labour force comparisons. Seasonally adjusted monthly unemployment rates and related statistics for eight foreign countries at present¹⁰ are adjusted to the concepts applied in the United States and published at irregular intervals of about two years.¹¹ The programme was initially set up to evaluate the extent to which methodological differences account for the observed high unemployment rates in the United States in comparison with the rates of most other industrialised market economies.

95. The current BLS adjustment method is similar to but more elaborate than the OECD method described above. (The OECD method is, in fact, largely based on the BLS method.) In addition to differences in the coverage of countries and standard concepts to which adjustments are made, the BLS method differs from the OECD method in certain other aspects. The BLS adjusted unemployment rates are based on adjusted civilian labour force rather than on the total labour force as in the case of the OECD. The BLS adjustment procedure is more refined and in many cases takes account of more detailed items of definitional differences. It also covers a wider time span: the BLS adjusted unemployment rate series begins with 1959 while the starting year for the OECD series is 1966. Adjusted rates are computed in certain cases on a monthly basis, in addition to quarterly and annual bases. Adjustments are also made for age- and sex-disaggregated unemployment rates on an annual basis. Adjusted figures for labour force participation rates by sex and employment population ratios are also computed.

French National Institute of Statistics and Economic Studies

96. After experimentation in 1973, the National Institute of Statistics and Economic Studies (Institut national de la statistique et des études économiques - INSEE) launched a new series of surveys in 1975 in which the employed population and the unemployed population are measured according to three different sets of definitions: (a) the census definitions; (b) the survey definitions; and (c) the ILO definitions. The ILO definitions are used for international comparisons and other purposes. The innovation is to have combined all three concepts into the same survey.

97. The employment and unemployment data according to the census definitions are based on replies to two questions, formulated and processed in a manner similar to the census itself: (a) whether the person is exercising a principal occupation at the time of the survey; and (b) whether the person is without work and seeking work.

98. To arrive at employment and unemployment data based on the survey definitions, two additional questions are asked on persons who were originally classified as inactive according to the census definitions. One question sorts out "the active population with marginal employment" and the other sorts out the "marginal active population available and seeking work".

99. Additional questions and probings are built into the questionnaire in order to permit the measurement of employment and unemployment according to the ILO definitions. The relationships between these definitions and the survey and census definitions are shown in diagrams 1(a) and 1(b) below.

Appraisal

100. The methods used for achieving international comparability of labour force statistics may be grouped into three categories: (1) the standard survey method (SOEC); (2) the ad hoc adjustment methods (ILO, OECD, BLS); and (3) the built-in adjustment method (INSEE).

1(a): Relationship between three measures of employment

1. Active population with employment as defined by the census
plus active population with marginal employment
2. Active population with employment as defined by the survey
less population not at work for non-temporary reasons
less population not at work because of partial unemployment or occasional slack work
less population not at work for other, non-valid reasons
less unpaid family workers working less than 15 hours per week
plus active population available and seeking work, as defined by the census, who worked during the reference week
3. Employed as defined by the ILO

1(b): Relationship between three measures of unemployment

1. Active population available and seeking work (as defined by the census)
plus marginally active population available and seeking work
2. Active population available and seeking work (as defined by the survey)
less persons seeking non-wage-earning employment
less persons who did not seek work during the month preceding the survey
less persons not immediately available for work (except for minor illness)
less persons who worked during the reference week
plus persons with employment as defined by the census but without employment and available and seeking work as defined by the ILO
plus persons who found a job starting later on
plus persons with wage and salary jobs but not at work during the reference week because of unfavourable current economic conditions
3. Unemployed as defined by the ILO

Source: Enquête sur l'emploi de mars 1981, Résultats détaillés, Collections de l'INSEE, Série D, No. 87, Dec. 1981, pp. 32-33.

101. In principle, the standard survey method permits definitionally comparable statistics to be obtained on many labour force concepts and components, but is difficult to apply at frequent intervals and with many countries. Ad hoc adjustment methods also have a number of limitations. They are complicated and must inevitably rely on data from different sources and different periods. They can be applied, in practice, only at infrequent intervals and to a few basic statistics. They depend heavily on the extent of available information and the implicit assumptions. Their accuracy may not be easily assessed. Disaggregation by relevant variables such as age and sex are even more complicated, data demanding and uncertain.

102. By its nature, the built-in adjustment method provides virtually full comparability. Also, because the standard definitions are embedded in the questionnaire design and processing scheme, disaggregated cross-tabulations by relevant characteristics such as age and sex are possible with minor additional effort. A version of the built-in adjustment method may prove useful not only for improving international comparability of employment and unemployment statistics but also for other purposes. This may be called the building-block approach.

The building-block approach

103. Essentially the same as the INSEE method, the building-block approach is a means of providing for multiple definitions of employment, unemployment and underemployment, serving different objectives and purposes. In a given application, it basically involves two major steps: (a) the formulation of the relevant sets of definitions of employment, unemployment and underemployment; and (b) the derivation of a minimal set of components (the building blocks) from which measures based on each of the formulated sets of definitions could be obtained by appropriate combinations. The building-block approach requires a priori action. It must be incorporated at the design stage of a data collection programme.

104. Such an approach may greatly facilitate international comparisons. In principle, the procedure for improving international comparability would be as follows. Countries agree on certain international definitions of employment, unemployment and underemployment for purposes of international comparison. In designing national surveys or other means of data collection, the international definitions are confronted with the national definitions. Where the national definitions and international definitions differ significantly, provision is made to collect and publish statistics on the differing aspects, separately. In practice, of course, some of the key components on which disagreement is expected could be identified at the outset, e.g. unpaid family workers, apprentices, layoffs, discouraged workers, etc. In many cases it may also be possible to reach an agreement on the definition of these components and their treatment in the international definitions of employment, unemployment and underemployment, without having to agree on a uniform treatment for purposes of national statistics. These key components, appropriately defined, could then be presented separately where relevant. They would provide the key building blocks for constructing internationally comparable statistics. Such an approach is pursued to some extent in the next chapter where concepts and definitions of employment, unemployment and underemployment are considered. A fuller development of the approach, however, requires more research on the identification and standardisation of the many basic components.

105. The building-block approach may be used for purposes other than constructing internationally comparable statistics. It can facilitate the creation of historically comparable statistics in the event of changes in definitions and treatment of particular groups. The changing employment conditions and the knowledge gained from earlier surveys may from time to time call for refinements and modifications of the concepts and definitions used in the past. This may be particularly so in the formative years of labour force data collection. In these circumstances the maintenance of a definitionally consistent time series is extremely difficult, but without such a consistent series the value of the labour force statistics is significantly diminished. The application of the building-block approach can serve to maintain some degree of historical comparability by identifying the relevant building blocks in the historical files or by collecting data on the basis of both the new and the old definitions during a transitional period.

106. In a similar way, the building-block approach may be applied to consolidate differences in statistics from various sources, or to tabulate employment, unemployment and underemployment estimates according to a variety of definitions as required by different national users.

107. The building-block approach involves collecting data on more than the minimal number of characteristics necessary to identify the labour force and its components according to the national definitions. For example, rather than recording as seeking work only those persons who are both seeking and available for work, one would record the seeking activity and the state of availability separately. Some preliminary work has been carried out by the Office on the

practical implications of the building-block approach for labour force surveys. The initial results indicate that the building-block approach involves in most cases changes in the skipping pattern of the questionnaire or more detailed coding of certain questions and, in a few cases, the introduction of additional questions.

Notes

¹ Lawrence J. Christiano: "The international comparability of labour market statistics", in Bulletin of Labour Statistics (Geneva, ILO), 1980, 2nd quarter, pp. XIII-XXIII (summaries in French and Spanish).

² Another method for international comparisons designed to monitor the labour market in Western industrialised countries and based on comprehensive measures of labour slack was recently suggested, and illustrated by statistics of three European countries. For details, see Angus Maddison: "Monitoring the labour market: A proposal for a comprehensive approach in official statistics, illustrated by recent developments in France, Germany and the United Kingdom", in The Review of Income and Wealth (New Haven, Connecticut), Series 26, No. 2, June 1980, pp. 175-217.

³ ILO: "Statistics of unemployment among workers' organisations", in International Labour Review (Geneva), Jan. 1921.

⁴ ILO: "An attempt to construct international measures of unemployment", in International Labour Review (ILR) (Geneva), Oct. 1932; "National and international index numbers of the general level of unemployment", ILR, Apr. 1934; "Some problems in the construction of index numbers of unemployment", *ibid.*; "Some problems of international employment statistics", ILR, May 1937; "World indexes of employment", ILR, July 1939.

⁵ ILO: Labour force projections, 1965-1985 (First edition, 1971), Parts I-VI; Labour force estimates and projections 1950-2000 (Second edition, 1977), Vol. I-VI.

⁶ SOEC: Labour force sample survey 1973-1975-1977 (Luxembourg, 1980), p. 25.

⁷ The SOEC plans to revise the coding for the sample survey in the light of the current situation.

⁸ OECD: "Technical annex: Adjustment of unemployment rates to international definitions", in Economic Outlook, Vol. 19, July 1976, pp. 106-110; when important changes are introduced in some countries, the adjustment method may be updated accordingly. This has been done a number of times since 1976.

⁹ Bernard Grais: "The classification of persons 'laid off' in employment and unemployment statistics", Paper prepared for the Fifth Meeting of the OECD Working Party on Employment and Unemployment Statistics (restricted doc. MAS/WP7(81)4), (Paris, 9-11 June 1981).

¹⁰ Australia, Canada, France, Federal Republic of Germany, Italy, Japan, Sweden and the United Kingdom, in addition to the United States.

¹¹ The latest available data are published in Monthly Labor Review (Washington, D.C.); a detailed description of the adjustment methods is given in International comparisons of unemployment (Washington, D.C., United States Bureau of Labor Statistics), 1978, Bulletin No. 1979.

P A R T T W O

CHAPTER IV

ASPECTS OF EMPLOYMENT AND MEASUREMENT OBJECTIVES

108. The discussion in the preceding chapters shows that it is necessary but insufficient to maintain the basic framework embodied in the present international recommendations on statistics of the labour force, employment and unemployment. It is necessary because the basic framework has proved and, by and large, remains useful in describing the essential elements of the labour market in industrialised countries and also the growing urban organised sectors of the developing countries. It is insufficient because the framework does not account for some of the aspects and issues widely recognised as primary concerns in developing as well as developed countries. Also, improvements in the basic framework are necessary to allow realistic levels and distributions of employment, unemployment and related characteristics to be derived and sound primary data to be collected on the basis of more objective criteria. This short chapter therefore examines some of the aspects of employment and identifies the main measurement objectives and uses, before proceeding in the next chapter, to proposals for a revised framework and revised concepts and definitions.

The various aspects of employment

109. Employment may be viewed from various angles, each implying a particular statistical orientation and method of measurement. Some of the main aspects of employment which can be readily distinguished are: (a) the production aspect; (b) the income aspect; (c) the social integration aspect; (d) the human investment aspect; and (e) the time-use aspect.¹

The production aspect

110. Employment is a productive input. The work of individuals, combined with other factors of production, yields an output valued by society at large and those producing it. When employment is viewed from the production perspective, the major policy concern is generally to ensure full utilisation of labour vis-à-vis other inputs in the production process. The statistical system is accordingly oriented towards collecting data on labour supply, labour utilisation and labour productivity, both actual and potential.

The income aspect

111. Employment is also a source of income. Individuals work or seek work in order to earn an income and ensure the economic well-being of themselves and their households. From the income perspective, the creation of employment may aim at a more equitable distribution of income and the eradication of poverty. In particular, the concern may be to provide remunerative and stable employment, and assistance to distressed individuals or households who depend solely on work for their economic well-being. This involves collecting data linking the employment and income of relevant socio-economic categories.

The social integration aspect

112. Employment is also an important means of integrating individuals into society. Lack of employment for those seeking it could alienate individuals and divide the community, with grave social consequences. A concern about the social integration aspect of employment implies collecting data, for example, on the extent and incidence of barriers to labour force entry, the segmentation of the labour market, possible discrimination in employment opportunities and training etc.

The human investment aspect

113. From the individual's point of view, employment is also a means of developing his sense of creativity and responsibility and, in the process, of investing his own human capital in the form of know-how and skill. A concern about this aspect of employment requires statistics on apprenticeship, on-the-job training, skill attitudes of workers towards work, the extent and incidence of upward (or downward) employment mobility, etc.

The time-use aspect

114. Employment is a time-using activity and, therefore, competes with other activities for the time available to the individual or household. It may interfere with learning, child-caring or other socially desirable activities, and as such may be a subject of major policy concern. Viewed from this perspective, employment statistics should cover not only earning activities but also other relevant activities such as learning, volunteer and community work, housework, including child-care, care of the old and sick, etc.²

115. While the need to collect data on all the above and other aspects of employment is recognised, the extent of their policy relevance and amenability to measurement vary. This report concentrates on the first two aspects - the production aspect and the income aspect. So far few countries have attempted specifically to measure the other aspects of employment and as yet therefore there is little experience on which to rely. Thorough analysis moreover, would involve special statistical case studies difficult to standardise. Nevertheless, some statistics on these other aspects of employment can be obtained to varying degrees through particular disaggregation and extension of the statistics generated in connection with the production and income aspects of employment.

Measurement objectives and principal uses

116. For the purpose of this report it is convenient to formulate the measurement objectives around the two main aspects of employment described in the preceding section.

117. The main measurement objectives with respect to the production aspect of employment are the measurement of labour supply and labour input. Both measures are multidimensional. The notion of labour supply, in principle, encompasses the population who furnish the supply of labour for the production of economic goods and services during a given period; the amount of time that the population works or is available for work during that period; the amount of effort made by workers while at work; and the level of training and skill that workers bring to their work. Labour input also encompasses various factors, including the number of persons at work, their time input, their productivity and use of skill, etc. The measurements, appropriately disaggregated by demographic and socio-economic groupings, provide basic information on the structure of employment and the extent and incidence of available and unused human resources, essential for macro-economic and manpower planning. In order to monitor current labour market and employment conditions and trends, certain simplifications may be necessary. In most industrialised market economies, the short-term measurement objective is focused on the unemployment rate as a macro measure of the current performance of the economy. The main statistical concern is to measure current trends and detect changes.

118. Statistics on labour viewed as an input to production may also be used for other purposes, e.g. to evaluate government policies and programmes, to assess the extent to which job creation projects have met planning and other priority needs, etc. Retrospectively, historical data and trends may be used, for example, to explain exogeneously, the past growth of the economy and the composition of output, or to study endogeneously the demographic, economic and other factors affecting the observed size and composition of the economically active population. Prospectively, projected data provide information, for example, for mapping future outputs or for planning future inputs, including training and education.

119. With respect to the income aspect of employment, the main objective is to identify the number and characteristics of persons and households who are unable to ensure their economic well-being on the basis of the employment opportunities available to them. If development policies are to be geared to employment creation and in particular to providing remunerative employment for a given level of income to those most needing and wanting it, then it is also necessary to decide beforehand what activities generate that income. In order to help to formulate and guide such employment policies, it is important that data on income correspond as far as possible to data on employment so that the income content of labour for each specified activity can be determined, at least approximately. In order to determine the magnitude of the problem and set priorities, employment should be linked not only with income from employment but also with household income in such a way that the number of persons and households involved can be determined and the most disadvantaged categories among them can be identified.

120. Statistics on labour viewed as a source of income may also be used to evaluate government employment policies, especially their effects on the income and basic needs and productive assets of the poor. Retrospectively, such data may serve to explain the observed level and distribution of income between individuals or households or to analyse the effect of income maintenance or income redistribution policies on the level and composition of employment and unemployment. Prospectively, appropriate projections may provide basic information for estimating or planning future earnings and incomes and for studying their implications for future savings and consumption expenditures.

121. In addition to the broad objectives and uses mentioned above, data on the economically active population serve a variety of particular purposes. For example, unemployment data in the United States are used for determining the amount of federal funds to be allocated to states and local communities for employment and training programmes or for local public work programmes. Labour force data also provide one subset of explanatory variables which may be used in research efforts for investigations of all conceivable kinds, ranging from testing labour market segmentation theories to formulating fertility and migration models. Finally, for descriptive and analytical purposes, the data are used to focus attention on and study the economic and social conditions of the population as a whole, or particular aspects thereof, such as the work of children, race or sex biases in work opportunities and participation, etc.

Notes

¹ Some of these aspects of employment are discussed by Amartya Sen in: Employment, technology and development, a study prepared for the International Labour Office within the framework of the World Employment Programme (Oxford, Clarendon Press, 1975). For further details, see also Guy Standing: "Basic needs and the division of labour", in The Pakistan Development Review (Karachi), Vol. XIX, No. 3, autumn 1980.

² For a description of such an approach in Norway, see Eivind Hoffmann: "Accounting for time in labour force surveys", in Bulletin of Labour Statistics (Geneva, ILO), 1981-1, pp. IX-XX (in English and French, with a summary in Spanish).

CHAPTER V

FRAMEWORK, CONCEPTS AND DEFINITIONS

122. While the labour force framework embodied in the present international recommendations meet to some extent many of the objectives mentioned in the preceding chapter, certain modifications and elaborations are necessary. The main proposals are as follows:

- (1) reformulation of the present framework in terms of the economically active population, covering the currently active population (the labour force) and the usually active population;
- (2) distinction between two categories of the labour force: "paid labour force" and "not paid labour force". The "paid labour force" is divided into the employed and the unemployed. The other category, "not paid labour force", is divided into those "with work" and those "without work";
- (3) introduction of a separate category to account for persons not economically active but contributing to output and welfare;
- (4) provision for two measures of unemployment, one based on a restricted definition following the existing international recommendations, and the other based on an extended definition incorporating certain categories of persons not seeking but available for paid employment;
- (5) integration of the measurement of visible underemployment into the main framework, but not that of invisible underemployment;
- (6) provision for the measurement of the relationship between employment and income in a separate but related framework.

Economically active population

123. The economically active population comprises all persons of either sex who furnish the supply of labour for the production of economic goods and services during the time-reference period chosen for the investigation.¹ It includes both the civilian active population and persons serving in the armed forces. The concept of economic goods and services is the same as that adopted in the United Nations System of National Accounts.² The time-reference period may be a brief one (not longer than one week) or longer (ranging from one month immediately preceding the inquiry to as much as the 12-month period immediately preceding the inquiry or the calendar year preceding the inquiry).

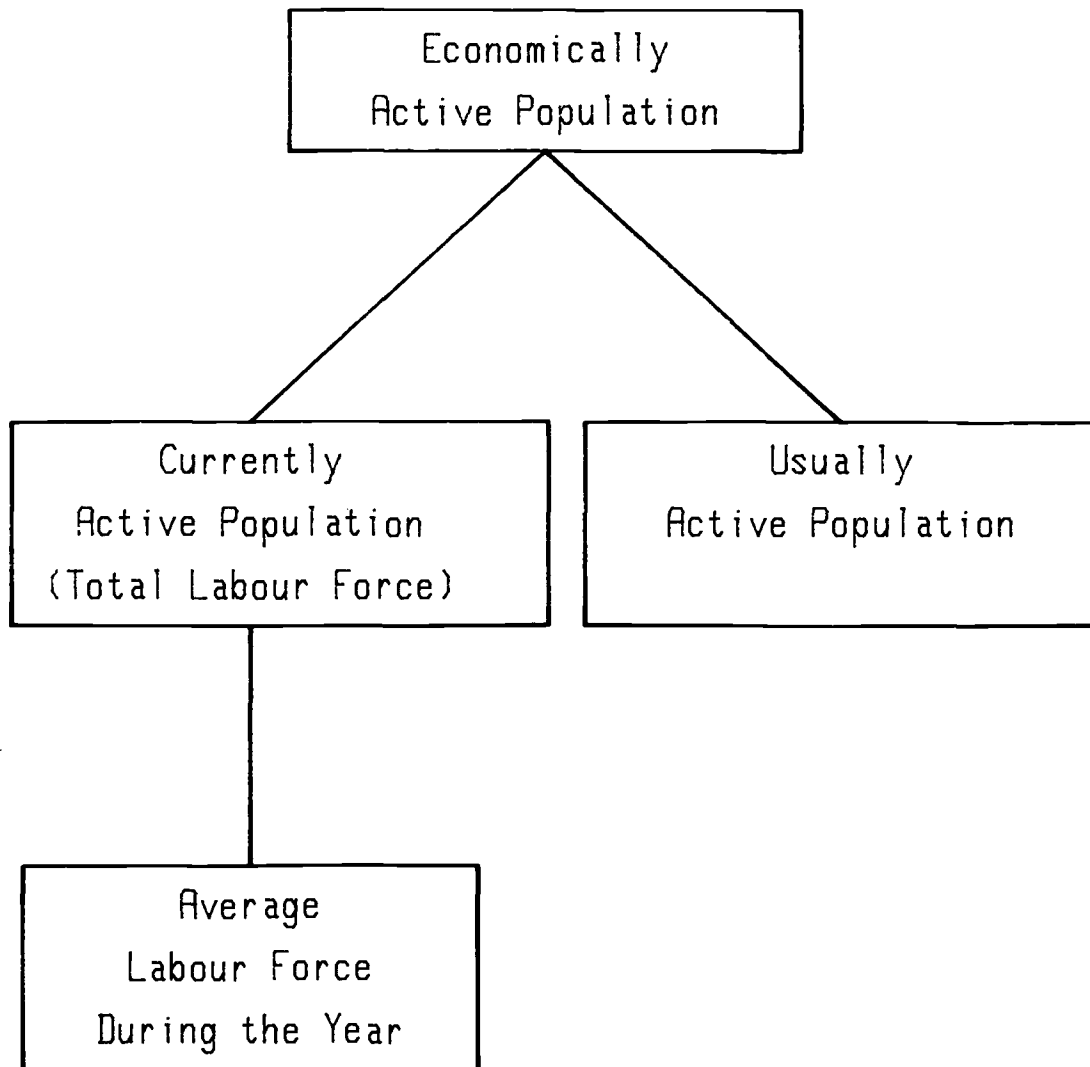
124. The economically active population may be measured on the basis of the current status approach using a brief reference period or on the basis of the usual status approach using a longer reference period. The measurement obtained on the basis of the current status approach and a brief reference period is the "currently active population" (the labour force) while the measurement obtained on the basis of the usual status approach and a longer reference period is the "usually active population" (see chart 1). The choice of the measurement approach depends on the objectives, data collection programme and resources.

Currently active population

125. The currently active population (the labour force) is measured when the intention is to obtain precise information on current activity. It is used particularly for measuring employment, unemployment and other labour-force connected information in household sample surveys and other recurrent data collection programmes based, for example, on establishment inquiries. When resources make it possible to conduct monthly, quarterly or other repetitive surveys within a year, the measurements provide information on seasonal changes and current trends. When the

Chart 1

**ECONOMICALLY ACTIVE POPULATION:
Proposed Framework
13th ICLS (1982)**



survey cannot be repeated in the course of the year but the sample is spread throughout the year, the results provide information on the "average currently active population" (or "average labour force") during that year. The concept of "average labour force" is meant to provide a stable measure of year-round activities, not affected by seasonal changes yet avoiding many of the complications that can occur when the usual status approach based on a long reference period is used.

Usually active population

126. The usually active population is measured when the intention is to obtain data reflecting the dominant pattern of activity where there is a significant seasonal pattern of activities and the data collection programme does not permit repeated measurements in the course of a year, as is the case in population censuses. Since a year encompasses an entire agricultural and climatic cycle, when the usually active population is measured the length of the reference period should preferably be one year.

127. The measurement of the usually active population may also provide supplementary information in surveys in which the currently active population is the principal measurement objective. The difference between usual and current status is of particular analytical and policy relevance and may be used to determine persons who are usually active but are not in the labour force during the current reference period. This category of persons includes:

- (a) those who were economically active for a major part of the preceding year but are no longer active at the time of the survey (e.g. retired);
- (b) those who are economically active in the busy season but are not active in the off-season (if the survey is made in the off-season);
- (c) those who may be in and out of the labour force occasionally depending on the exigencies of work, or casual workers who may be usually active but for some reason or another are not in the reference week.

128. While the usually active population is generally larger than the currently active population, it is not unlikely that some persons not usually active may in fact be currently active at the time of the survey, e.g. new entrants to the labour force or students who may be active during the vacation period (if the survey is made during that period).

129. Generally, the measurement of the usually active population and the characteristics of that population is subject to more recall and other memory-dependent response errors than is the measurement of the currently active population. Therefore, detailed measurements of employment, unemployment characteristics or detailed classifications by occupation, industry, etc. are not intended when measuring the usually active population, particularly when a long reference period such as a year is used.

The armed forces

130. Both when compiling data on the currently active population and the usually active population, a separate category of "members of the armed forces" may be maintained so that this category may be deducted from the total active population whenever desirable. For purposes of international comparisons, all members of the armed forces should be classified as employed. The members of the armed forces may be defined in accordance with the most recent revision of the International Standard Classification of Occupations (ISCO) available at the time of the survey. At present, the ISCO (1968) defines the members of the armed forces as "those personnel who are serving in the armed forces, including women's auxiliary services, whether on a voluntary or involuntary basis, and who are not free to accept civilian employment. Included are regular members of the army, navy, air force and other military services, as well as temporary members enrolled for full-time training or other service for a period of three months or more. Excluded are persons in civilian employment, such as administrative staff of government establishments concerned with defence questions; police (other than military police); custom inspectors and members of other armed civilian services; members of military reserves not currently on full-time active service; and persons who have been temporarily withdrawn from civilian life for a short period of military training."

131. Because of the substantial variations in national practices concerning the statistical treatment of temporary members of the armed forces (particularly conscripts),⁴ it is suggested that, where possible, separate data should be reported for regular members of the armed forces and for temporary members.

"Paid" and "not paid" labour force

132. It is proposed that the civilian labour force (the currently active civilian population) be divided into two categories: the "paid labour force" and the "not paid labour force". (See chart 2.)

Paid labour force

133. The "paid labour force" is meant to comprise all persons engaged in paid employment or seeking and (or) available for such employment. In general, it covers all persons who are directly remunerated for their contribution to the production of economic goods and services. It includes employees and those own-account workers who are paid for their services directly by the recipients of the services, e.g. doctors, lawyers, barbers, taxi-drivers, repairmen, etc.

Not paid labour force

134. The other category, "not paid labour force", covers all other persons in the civilian labour force who derive remuneration in the form of entrepreneurial income for their contribution to the production of economic goods and services. It includes employers, own-account workers (but not those included in the "paid labour force"), unpaid family workers, and members of producers' co-operatives. It also includes persons who are seeking to establish their own business or farms. Examples of persons included in the category "not paid labour force", are shopkeepers, newspaper vendors, tailors, farmers, fishermen, etc.

135. The distinction between the own-account workers who are paid directly for their services and other own-account workers may in practice be difficult to make. Most of the own-account workers utilise some equipment and fixed capital when supplying their services, and in such situations payments received cannot all be ascribed to labour input. Thus, in any given situation, the decision as to the appropriate classification may involve some elements of subjectivity. From the practical point of view, therefore, it may be more feasible to restrict the concept of paid employment to employment for wages and salaries.

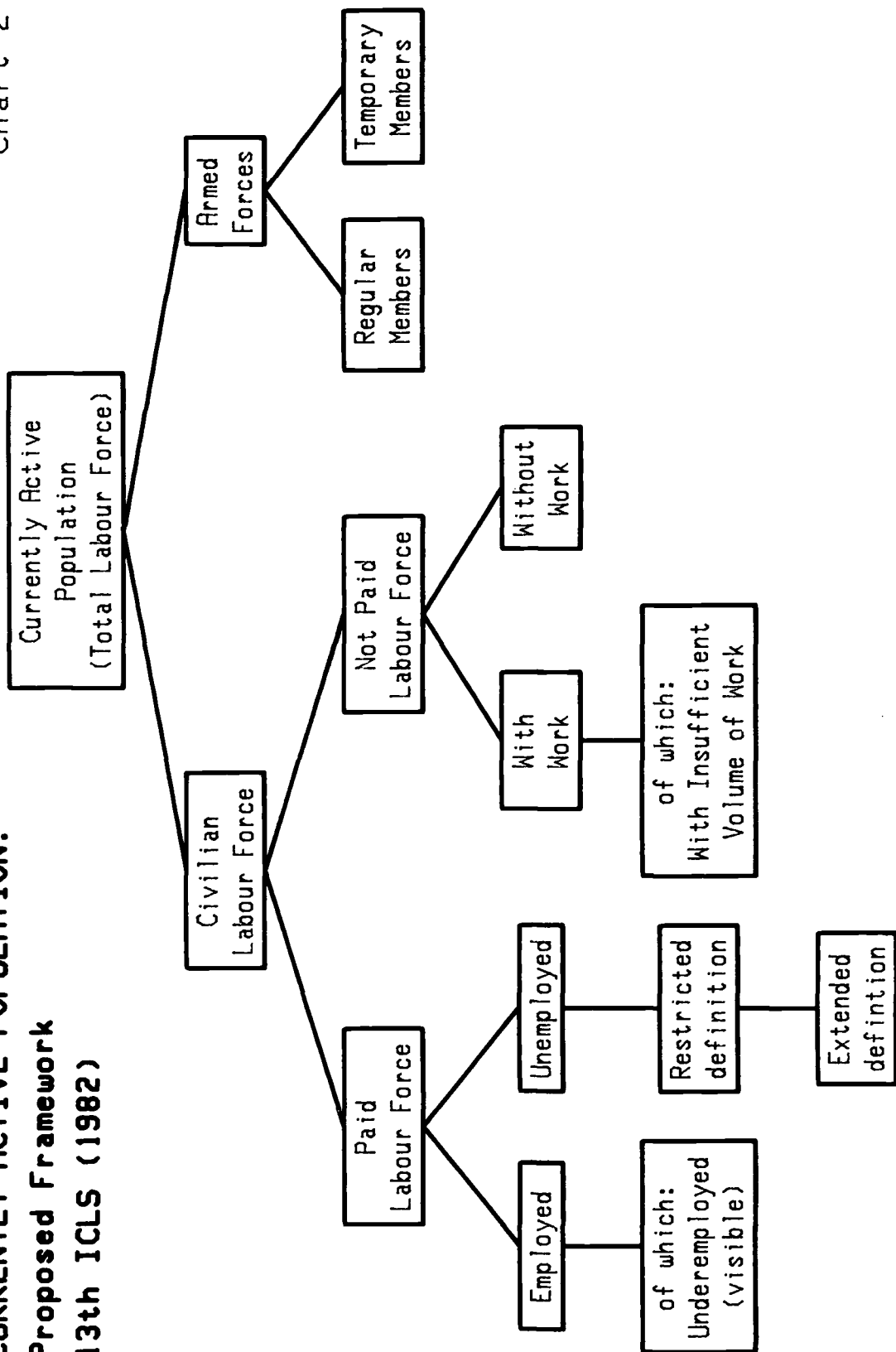
Need for distinction

136. Regardless of whether the strict or the wide definition of paid employment is used, a distinction between the "paid" and "not paid" components of the labour force is needed both from the conceptual standpoint and for the purpose of measurement. The arguments can be summarised under three headings.

137. First, there is the question of policy concerns. Labour market policies relate primarily to the "paid labour force". Job creation and public works projects are essentially aimed at generating paid employment. Youth training and adult re-training programmes are mainly designed to upgrade the skills and job aspirations of wage and salary workers. Unemployment insurance and other income maintenance programmes such as short-time payments and minimum wage regulations apply exclusively to employees. This is not to say that labour market policies have no influence on the other category of the labour force; but the effects there are mainly indirect. The policy concerns are wider: they deal with problems of increasing the volume of work throughout the year, with job creation issues, and with ways and means of increasing the income generating capacity of different activities, as well as income maintenance programmes. Separate statistics on the "paid" and "not paid" labour force should therefore make it possible to evaluate more clearly the different classes of issues. Also, the ratio between the two aggregates may provide a useful indicator of the extent of the development of the labour market.

**CURRENTLY ACTIVE POPULATION:
Proposed Framework
13th ICLS (1982)**

Chart 2



138. The second argument for dividing the labour force into the two categories is that they behave differently and have different characteristics which are of great importance to the economy. The "paid labour force" is more likely to be affected by cyclical change than the "not paid labour force". The demographic composition of the "not paid labour force" is different than the "paid labour force". This is partly because a high proportion of agricultural workers and unpaid family workers are female or young persons. Another distinctive characteristic of the category "not paid labour force" is the virtual absence of unemployment. Though substantial slack work and variations in income may occur from time to time in farms, small businesses and commercial establishments owned and operated by family members, unemployment in such enterprises is virtually non-existent. Thus, by separating the category "not paid labour force", the subdivision between employment and unemployment components of the "paid labour force" becomes more meaningful. This should also facilitate international comparisons of unemployment rates as the ratio of unemployment to the "paid labour force". It will provide a more appropriate measure of unemployment severity for inter-country comparisons.

139. The third argument for distinguishing between the "paid" and "not paid" labour force has to do with the accuracy of measurements and interpretation. The category "paid labour force" may generally be measured more accurately than the category "not paid labour force". Also, obtaining inter-related data on employment, time worked, and income from employment is more practical and meaningful in the case of the "paid labour force" than in that of the "not paid labour force".

Measures of employment, persons with work, and related categories

140. The distinction between the "paid labour force" and the "not paid labour force" implies corresponding distinctions between the components of the labour force. In this section the ICLS (1954) definition of employment is revised in order to reflect the distinction between "persons in paid employment" (employees) and "persons with work" (self-employed and others) (see chart 3). In the process certain amplifications and modifications are introduced, in particular as regards unpaid family workers. In addition, a separate category is introduced to account for persons not economically active but contributing to output and welfare. This category includes home-makers, community and volunteer workers, and persons engaged in certain subsistence activities generally considered as falling outside the production boundary defined by the United Nations System of National Accounts.

Persons in employment

141. Persons in employment, according to the Eighth ICLS (1954), consist of all persons above a specified age in the following categories:

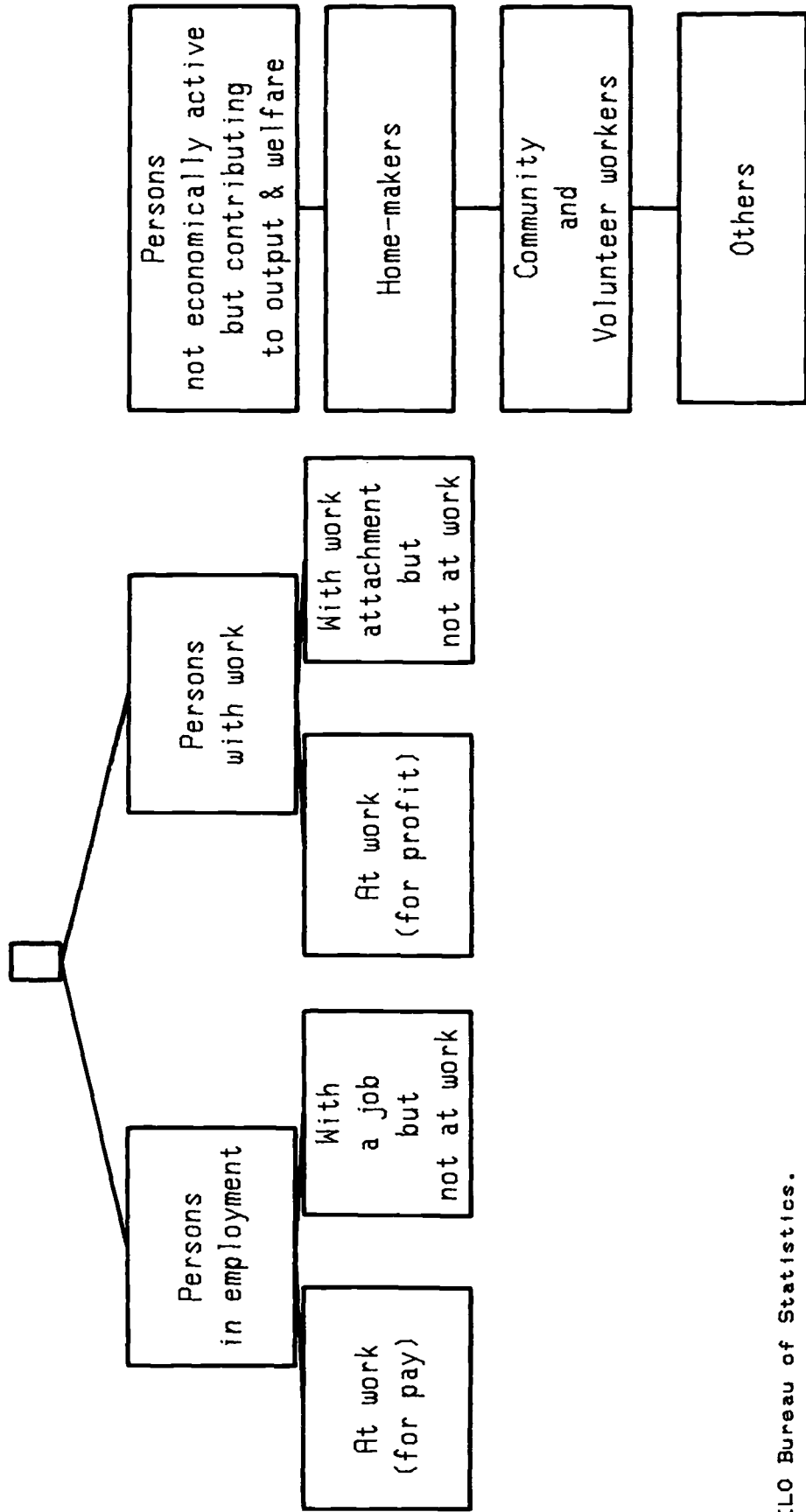
- (a) at work: persons who performed some work for pay or profit during a specified brief period, either one week or one day;
- (b) with a job but not at work: persons who, having already worked in their present job, were temporarily absent during the specified period because of illness or injury, industrial dispute, vacation or other leave of absence, absence without leave, or temporary disorganisation of work due to such reasons as bad weather or mechanical breakdown.⁵

142. The definition includes employers, own-account workers and unpaid family workers who worked for at least one-third of the normal working time during the specified period, and excludes other unpaid family workers, workers on temporary or indefinite layoff without pay and persons without jobs or businesses or farms who had arranged to start a new job or business or farm at a date subsequent to the period of reference.

143. In revising the definition in order to restrict it to paid employment, it is sufficient to drop the term "profit" in the description of the "at work" category. The term "work for pay" should be interpreted as covering all employees if the strict sense is adopted and also those own-account workers who are paid directly for services performed, if the wide sense is adopted.

PERSONS IN EMPLOYMENT, PERSONS WITH WORK, AND
 PERSONS NOT ECONOMICALLY ACTIVE BUT CONTRIBUTING TO OUTPUT & WELFARE:
 Proposed Framework
 13th ICLS (1982)

Chart 3



144. The definition of paid employment should include paid apprentices as well as apprentices who receive pay in kind or meals and sleeping quarters. It should also include students who are engaged in paid employment during the reference period, whether on a full-time or part-time basis.

145. In order to account fully for underemployment and casual wage labourers, the term "some work" in the definition should be interpreted as including all persons who worked at least one hour during the reference period.

146. The category "with a job but not at work" should include persons laid off, on educational leave, maternity leave and related leave of absence (parental leave), if they retain a strong link with the employer. The strength of attachment to the employer, strong or weak, should be determined in the light of national circumstances, according to one or more of the following criteria:⁶

- (a) the elapsed length of layoff or leave or absence;
- (b) the existence or not of a specified date of recall, or an assurance of return to work following the end of a specified contingency or the end of the leave; and
- (c) the maintenance or not of the wage or salary payment to the employee.

147. These criteria may be extended in principle for identifying all categories of persons with a job but not at work. Persons on leave to serve in army reserve units, however, should not be included in this category if already classified as temporary members of the armed forces.

Persons with work

148. Persons with work consist of persons above a specified age who performed some work for profit (or family gain) during a specified brief period, either one week or one day. This category also includes persons with work attachment (e.g. with pending orders) who were temporarily absent from work during the specified period because of illness or injury, bad weather, vacation, special religious or social ceremonies, etc. It does not include persons seasonally out of work and persons without work who had arranged to start a new business or farm at a date subsequent to the reference period.

149. Employers, own-account workers, unpaid family workers and members of producers' co-operatives are included as "persons with work" and classified as "at work" or "not at work" as the case may be.

150. Persons in employment or seeking employment who have also worked for profit (or family gain) during the reference period are not classified as "persons with work". These categories of workers are classified as employed or unemployed in the paid labour force and, where significant, in separate categories so that separate statistics may be provided when necessary.

151. The term "profit" in the definition of "persons with work" should be interpreted broadly to cover both profit from monetary transactions and economic gain from non-monetary activities as defined by the United Nations System of National Accounts, which recommends that the following types of production and consumption on own account (subsistence production) be considered as economic output:

- (i) any primary products (that is, characteristic products of agriculture, fishing, forestry and logging, and mining and quarrying) produced by the household for its own consumption and any processing of these products by the producing household;
- (ii) any other goods or services produced by the household for own consumption whenever the goods or services are also produced for the market; and
- (iii) fixed capital formation and maintenance of owner-occupied dwellings.

Unpaid family workers

152. Unpaid family workers should be treated in the same way as the other categories of workers. The requirement for the unpaid family workers to have worked at least one-third of the normal working time during the reference period seems to be inappropriate when compared with the requirements for the other category of workers (employers, own-account workers, employees and members of producers' co-operatives) for whom the stipulated duration of work is essentially one hour during the reference period. In agriculture, where most unpaid family workers are engaged, the agricultural holding is usually run on a household basis and all or almost all the members of the household normally take part in the agricultural operations. Furthermore, economic activity in agriculture and allied branches is subject to seasonal variations and no normal working hours can be meaningfully determined. Stipulating a different minimum duration of work for unpaid family workers leads to a distortion of the distribution of persons with work by time worked at the lowest time intervals. It also affects the sex-age distribution of the active population since most unpaid family workers are female or young.

Persons not economically active but contributing to output and welfare

153. While it seems that the extension of the concept of work for the measurement of the economically active population beyond the present production boundary (as defined by the United Nations System of National Accounts) may tend to dilute the concept, certain categories of persons not economically active but contributing to output and welfare should be recognised in a system of employment and related statistics and accounted for by separate statistics. Three such categories of persons are home-makers, persons doing community and volunteer services, and persons engaged in certain borderline subsistence activities.

154. Housework is productive in the sense that services generated in the home contribute to the economic welfare of the household and, in the case of child-rearing, to the reproduction of the working population. In industrialised countries, many domestic activities have been shifted from the house to the market, the product of which is included in the national accounts, while in developing countries, particularly the rural areas, they are carried out at home and excluded from the national accounts. In the United Nations Principles and recommendations for population censuses, home-makers are identified separately and defined as "persons of either sex, not economically active, who are engaged in household duties in their own home; for example housewives and other relatives responsible for the care of the home and children".⁷

155. Activities such as community work contributed without pay or profit by household members for community development, e.g. filling ditches, cleaning tanks, construction of village roads, tunnels, irrigation and flood prevention works, etc., are widespread in developing countries, particularly in rural areas. Such activities are not generally treated as economic activities for measurement purposes although they have a clear economic impact in their contribution to fixed capital formation. Where such work is substantial, it may be appropriate to identify it separately in the statistics.

156. In some areas of developing countries, many persons, particularly women and children, are engaged in certain subsistence activities which though not generally considered as economic activities, make a non-negligible contribution to total output and involve a significant amount of time. Some common activities of this type are:

- repairing and maintaining dwellings and farm buildings;
- storing crops in large quantities;
- carrying water over long distances;
- dressmaking and tailoring;
- handicrafts not involving primary products (e.g., metal hollow ware, rubber shoes).

Where such or similar activities are significant, they should be identified and persons engaged in them accounted for in separate statistics.

Two measures of unemployment, and persons without work

157. Unemployment as defined by the Eighth ICLS involves essentially three basic conditions, viz. that persons defined as unemployed are: (a) without a job; (b) currently available for work; and (c) seeking work for pay or profit. There are two exceptions. Conditions (b) and (c) are not involved in the case of persons on temporary or indefinite layoff without pay and condition (c) is not involved in the case of persons who have made arrangements to start a new job at a date subsequent to the specified reference period. Both the basic conditions and the exceptions have been subject to criticism.

Restrictive nature of the present definition

158. It is argued that the definition with its emphasis on seeking work is somewhat restrictive and does not fully capture unemployment, particularly in the developing countries. Job search is essentially a process of search for job information; it therefore relates mainly to paid employment and is meaningful where channels for exchange of such information exist and are used. In Western industrialised countries this is generally the case. Most workers are employees; and public or private labour exchanges, employment offices, newspaper job advertisements, etc. are common and many people refer to them in searching for jobs. In developing countries the bulk of the workers are self-employed or engaged in household enterprises; and labour exchanges and similar institutional arrangements are not fully developed, and are often limited only to certain urban sectors. In rural areas, because of the size and nature of the localities, most people have more or less complete knowledge about the availability of work in the area, so that generally there is no need to take active steps to search for jobs.

159. For this and similar reasons, some countries have adopted broader definitions of unemployment in their surveys or censuses. In India, for example, in the 32nd round of the national sample survey, a person who was not considered "employed" was considered "unemployed" if during the reference week he "sought work" or else "did not seek but was available for work". The concept of "availability for work" was not defined and was largely left to subjective determination by respondents and interviewers. Other countries have introduced different additional concepts, e.g. "wanting work" (Jamaica, the Philippines), "willingness to work" (Republic of Korea) or extended the concept of unemployment to include certain categories of workers, e.g. persons seasonally out of work (Iran) or persons who were not seeking work because they "believed no work was available" or "believed no suitable work was available" (Hong Kong).

Discouraged workers

160. The issue concerning the measurement and statistical treatment of "discouraged workers", i.e. persons who want a job but who were not seeking work because they believed they could not find it, has also been raised in Western industrialised countries. In the existing international standards, the discouraged workers are not counted as unemployed or explicitly identified. Proponents of their inclusion argue that the discouraged workers are part of the country's potential labour supply, contributing to the underutilisation of labour in the economy. The work that they do not do and the income that they do not earn, as a result of their discouragement over job prospects, constitute losses for society and for themselves that are no different in kind from the output forgone and income lost because of unemployment. Against this there are arguments that inclusion of the discouraged workers as unemployed would add a subjective factor to the concept of unemployment, impair historical comparability, raise problems of classification by duration of unemployment and reasons for unemployment, etc.⁸

161. Although the current practice in most Western industrialised countries is to exclude the discouraged workers from the official statistics of unemployment, certain countries have attempted to identify them and publish separate statistics.

Layoffs

162. Another issue that has been raised regarding the present international definition of unemployment concerns the particular treatment of persons on temporary or indefinite layoff without pay.⁹ The main point is the following. Since in times of economic downturn, firms in different countries resort to layoffs or to reductions in daily or weekly hours of work, depending on the unemployment compensation systems in force, the statistical treatment of persons laid off should be in harmony with that of persons affected by reductions in daily or weekly hours of work. At present, persons affected by reductions in daily or weekly hours are classified as employed, while persons laid off are classified as unemployed. It has therefore been suggested that for purposes of international comparisons, persons laid off, appropriately defined, should be classified not necessarily as unemployed, but as employed, unemployed or out of the labour force according to the strength of their attachment to their employer and the existence or not of job-search activity.

163. The suggested definition of a person laid off is one whose contract of employment, or activity, has been suspended by the employer for a specified or unspecified period at the end of which the person concerned has a recognised right or recognised expectation to recover employment with that employer.

164. The strength of attachment to the employer, strong or weak, is to be determined in the light of national circumstances, based on one or more of the following criteria:

- (a) the elapsed length of the layoff;
- (b) the existence or not of a specified date of recall, or an assurance of return to work following the end of a specified contingency; and
- (c) the maintenance or not of the wage or salary payment to the employee.

165. Thus, a person laid off who has a weak link with the employer should be classified as unemployed if seeking and currently available for work and out of the labour force if not seeking and currently available for work. A person laid off who has a strong link with the employer should be classified as employed if not seeking work. Regarding the remaining situation, namely, a person laid off who has a strong link with the employer but seeking and currently available for work, specific agreement has not yet been reached, though it is suggested that for international comparison purposes the most appropriate classification of such persons is in the employed category.

166. Given the importance of the various categories mentioned above for determining the size and composition of measured unemployment, certain modifications of the international standards seem necessary in order to ensure more homogeneity and more flexibility in the definition of unemployment. It is therefore proposed that two measures of unemployment applied to the paid labour force should be considered, one based on a restricted and the other on an extended definition (see chart 4).

Restricted definition

167. The restricted definition would be based on the present international standards with certain amplifications in order to introduce greater precision in the nature of the basic conditions. The amplified basic conditions in the restricted concept of unemployment are as follows:

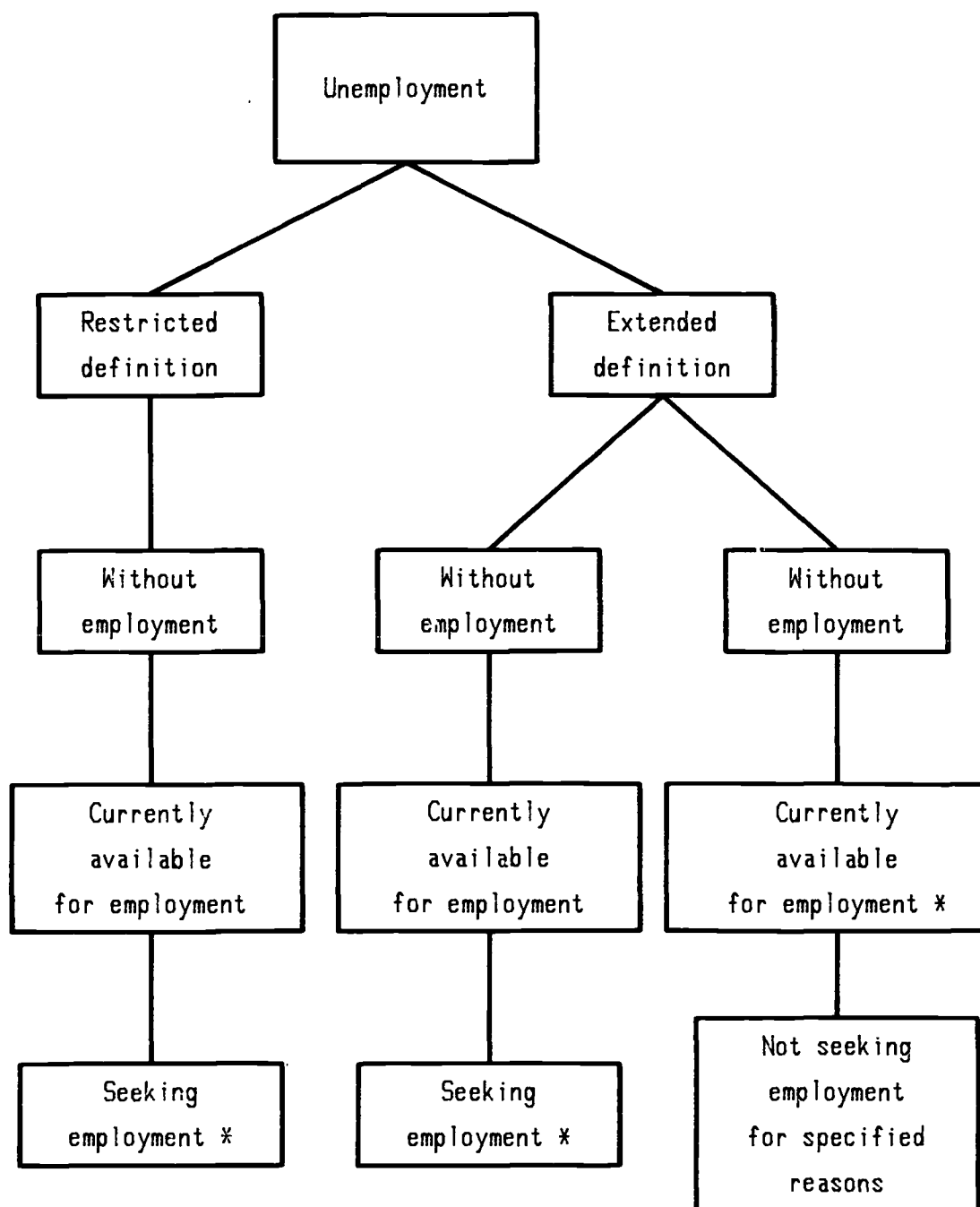
- (a) without employment: or, more precisely, not having worked for pay during the specified reference period and not having been temporarily absent from work for reasons specified in the definition of employment, including layoff with a strong link with the employer;
- (b) seeking employment: or, more precisely, having taken specific steps to seek full- or part-time, temporary or permanent employment in a specified recent period such as the previous month. The specific steps may include registration at a public or private labour exchange, direct application to employers, checking at worksites, factory gates, special assembly places, placing or replying to newspaper advertisements, inquiry through friends or relatives, or other similar action;

Chart 4

UNEMPLOYMENT:

Proposed Restricted & Extended Definitions

13th ICLS (1982)



* Main condition

ILO Bureau of Statistics.

- (c) currently available for employment: or, more precisely, being in a position (except for minor illness) to take up employment immediately or shortly.

Extended definition

168. The extended definition of unemployment would include, in addition to the unemployed in the restricted sense, persons who satisfy the following conditions:

- (a) without employment: the same condition as in the restricted definition;
- (b) currently available for employment: the same condition as in the restricted definition except that now it becomes the main condition for classification as unemployed and, in this context, is to be construed as readiness to take up employment if it became available or were offered on prevailing terms;
- (c) not seeking employment for specified reasons: or, more precisely, not having taken any specific steps to seek work in the specified recent period because of (i) belief that work was not available; (ii) lack of knowledge about where to find work; (iii) temporary illness; (iv) bad weather; (v) awaiting recall to work; (vi) awaiting results of previous applications; and (vii) other similar reasons not in conflict with current availability.

This third condition is subsidiary. It is meant to enable: (i) checking on the validity of reported current availability; (ii) establishing and classifying reasons for not seeking employment; and (iii) comparing results based on different definitions (e.g. restricted or extended).

169. Where the extended concept of unemployment is adopted, the tabulated statistics should at least distinguish the unemployed in the restricted sense from the others.

Persons without work

170. Regarding the "not paid labour force", instead of using the term "unemployed", it is proposed that the term "without work" should be used to refer to persons who were without work during the specified reference period and were taking concrete steps to establish their own business or farm. In certain situations it may also include workers lacking the instruments to work with during the reference period, e.g., farmers with no land to farm, fishermen with no fishing-tackle for fishing, etc.¹⁰

Underemployment (visible) and insufficiency of volume of work

171. The integration of underemployment into the framework of labour force, employment and unemployment statistics was suggested by the Eleventh ICLS in 1966. Attempts to operationalise the underemployment concepts introduced in the 1966 ICLS resolution were carried out on experimental or regular bases in the labour force surveys of a number of countries. (The main approaches have been described in some detail in Chapter II.) The experience gained from these surveys has shown that the integration of invisible underemployment is more difficult than the integration of visible underemployment. Perhaps one of the essential reasons for the failure of the invisible underemployment measurement within the labour force framework is the inherent difficulty involved in mixing two types of measurements in one framework. One requires basically a point estimate of a unique variable - time worked - while the other requires an estimate of the relationship between two or more variables - time worked, income, etc. Another basic difference is due to the possibility of hoarding income and thus of transferring it between reference periods, which does not exist for time worked. These and other technical considerations offer some justification for integrating the measurement of visible underemployment into the main framework but not that of invisible underemployment.

Integration of (visible) underemployment

172. It is therefore proposed that the term "visible" be dropped and underemployment specified as a component of employment, following essentially the existing international recommendation on visible underemployment, except for the modification mentioned below and the restriction to the "paid" part of the labour force framework. A different approach is suggested for the "not paid" part of the framework (see charts 5 and 5a).

173. According to the proposed modification, underemployment among the "paid labour force" occurs when a person is in paid employment of less than full time for involuntary reasons or is seeking, or would accept, additional work. The concept of full-time employment is to be determined in the light of national circumstances. It may be based on a specified number of hours of work a week, the same for all industries, or on how the job is considered by the person concerned, or on other criteria. Involuntary reasons include such reasons as slack work or slack season, material shortages, repairs to plant or equipment, failure to obtain full-time work, discharge or termination of job during the reference period, etc. Excluded are reasons such as bad weather, personal or family responsibilities, etc.

Insufficiency of volume of work

174. The concept of underemployment as defined above may not be meaningfully applied to the "not paid labour force". This is because the reported hours of work of many own-account workers and unpaid family workers do not necessarily correspond to the volume of work. The working pattern of many of these workers is often determined by their own preferred pace of work. When the demand for their products or services is low, they may spread work over time rather than work short time. It is therefore proposed that the insufficiency in the volume of work for this category of workers be measured simply by the number of persons with work who are seeking, or would accept, additional work during the specified reference period, regardless of the number of hours worked.

175. An alternative, and more elaborate, approach may also be considered. The alternative approach (chart 5a) is to obtain a complete account of the labour-time disposition of all workers in the "not paid labour force" in the following manner. For each worker the number of days or half-days with work (w), the number of days or half-days without work but available for work (u), and the number of days or half-days not available for work (x) are indicated. On the basis of such an account, an estimate of the insufficiency of the volume work for all workers may be obtained as a percentage of the total labour time available for work, in the form: $u/(u+w)$. It is a more comprehensive measure than the simple measure mentioned earlier and can be blown up to provide an estimate of total insufficiency in the volume of work in man-days.

176. The choice between the simple and the elaborate method should be determined according to national circumstances, objectives and resources.

Statistics on employment and income

177. It has been argued that while invisible underemployment based on productivity or income criteria may in principle be amenable to global measurement, in practice it would be exceedingly difficult to apply and interpret at the individual level. It has therefore been proposed that the measurement of the relationship between employment and income be emphasised, rather than some absolute concept of invisible underemployment.¹¹ Two types of relationship between employment and income may be distinguished. One is the relationship between employment and income from employment, measured for the purpose of determining the income generating capacity of different activities. The other is the relationship between employment, income from employment and household income, measured for the purpose of identifying the number and characteristics of persons who are unable to maintain their economic well-being on the basis of the employment opportunities open to them. In both instances, important issues that must be resolved are: source of statistics, units of analysis, reference period, definitions of income, categories of population and methods of analysis.

**UNDEREMPLOYMENT
& INSUFFICIENCY OF VOLUME OF WORK:
Proposed Framework
13th ICLS (1982)**

Chart 5

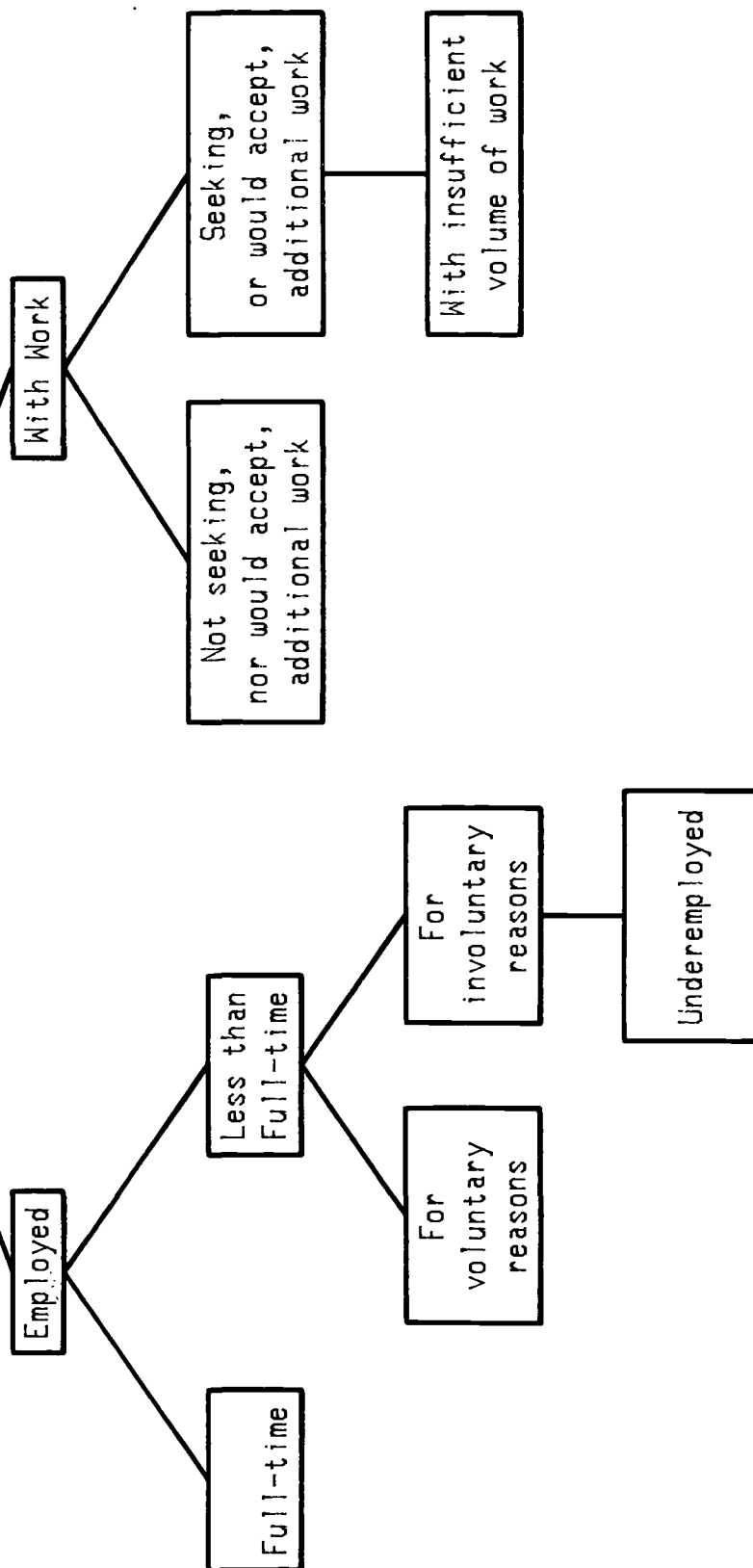
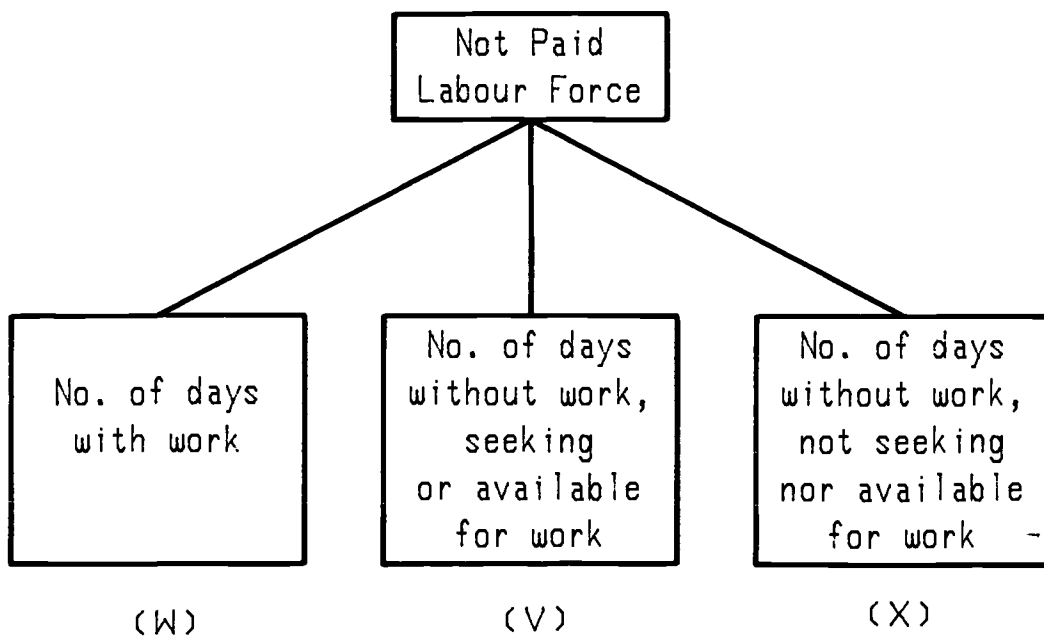


Chart 5a

**INSUFFICIENCY OF VOLUME OF WORK:
Alternative Framework
13th ICLS (1982)**



$$\text{Insufficiency of volume of work} = \frac{V}{V+W}$$

Source of statistics

178. From the practical point of view it must be decided how to collect the income and employment data necessary for measuring the relationship between employment, income from employment and household income. Three possibilities may be envisaged:

- (1) using a sub-sample of the labour force survey for collecting the additional income data;
- (2) extending the standard household budget survey to collect the necessary employment data;
- (3) combining the two surveys in an integrated survey programme, in which certain survey rounds concentrate on measuring income from employment and household income and others concentrate on the employment characteristics. In all rounds certain basic characteristics must be collected to serve as matching variables.

The choice of the appropriate survey programme depends on the existing national survey capability and the extent and type of details desired. In principle, statistics on employment and income should be collected at least every five years.

Units of analysis

179. Employment and income from employment generally refer to the individual. Decisions concerning the labour force participation of household members, on the other hand, often depend on household income and household responsibilities. Both units are therefore necessary for the analysis of employment and income. In order to avoid problems arising from mixing different units, it is proposed that the individual be considered as the basic unit and the household as the complementary unit. Thus, household income should be interpreted as a characteristic of an individual in the sense that it provides information on the household economic status of the individual.

Reference period

180. In order to establish a one-to-one correspondence between income and employment the length of the reference period should be the same for both variables. Using a brief reference period for the measurement of income to match the brief reference period for employment may result in reflecting only a temporary situation, thus giving a distorted picture of the income-employment relationship. For example, the thirteenth-month salary received by many employees in some countries will not be properly accounted for if the reference period is short, i.e. less than a year. Moreover, for most agricultural own-account workers, the bulk of income is normally received at long intervals such as the end of a crop season, which makes it difficult to ascertain the portion of the measured income that corresponds to the reported brief reference period. Household income as an indicator of economic well-being is also measured more meaningfully over a longer reference period, such as a year, than over a brief period, such as a week. It is therefore proposed that a one-year reference period be used for the purpose of relating statistics of employment and income.

181. This proposal does not, however, imply that the recall period for obtaining data on employment and income should necessarily be one year. The data needed may also be obtained by using a short recall period with repeated visits to sample households during the reference year. In considering such an approach, the complexity of the matching procedure involved should be carefully examined.

Definitions of income

182. Three main concepts of income are considered in the proposed analysis of the relationships between employment and income:

- (a) Income from employment: the income derived by each employed person corresponding to his or her labour input in the production of economic goods and services. If the strict definition of paid employment is adopted, i.e.

employment for wages and salaries, then income from employment corresponds to compensation of employees. If the wide definition of paid employment is adopted, then income from employment is the sum of compensation of employees and remuneration, in cash or in kind, directly received by the own-account workers for services performed. Income from employment as defined here, does not refer to own-account workers and unpaid family workers working in household farms and in other household enterprises. These workers employ to a significant extent productive assets, such as land and implements, along with their own labour, and consequently the income derived cannot be fully ascribed as return on labour input. Further, in household enterprises, working members of the household are joint contributors of labour with varying duration and intensity of work and the income derived from such joint activities cannot be easily assigned to each individual. The primary income of these workers is more meaningfully measured as part of the total household income.

- (b) Total household income: the total current income of households before taxes and before payment of social security and pension fund contributions. It is the sum of primary income, property income, and current transfers and other benefits received.
- (c) Total available household income: the amount available for the household's final consumption expenditure and other outlays which generally are not obligatory, and for savings. It is derived by deducting direct taxes and social security and pension fund contributions from total household income.

183. The concepts of compensation of employees, total household income and total available household income are defined in the resolution concerning household income and expenditure surveys adopted by the Twelfth ICLS (October 1973)¹² and in the United Nations Provisional guidelines on statistics of the distribution of income, consumption and accumulation of households.¹³

Population categories and analysis

184. In line with the "paid" and "not paid" distinction proposed in the currently active population framework, two categories of persons may also be distinguished for the purpose of measuring the relationships between employment, income from employment and household income:

- (a) Persons with income from employment: earners who mainly received income from paid employment during the reference year (i.e. employees if the strict definition of paid employment is adopted).¹⁴
- (b) Persons with income from self-employment: earners who mainly derived entrepreneurial income during the reference year (i.e. employers, own-account workers, unpaid family workers, members of producers' co-operatives).¹⁴

Since some persons may have had mixed activities during the reference year and may have obtained both income from paid employment and entrepreneurial income, each of the two categories may be appropriately subdivided to distinguish between those who received or derived only one type of income and those who obtained both types of income during the reference year. Further subdivision by length of time worked during the reference year is also needed. In the case of persons with income from employment, the basic distinction is between those with full-year full-time employment and those with less than full-year full-time employment. In the case of persons with income from self-employment, the basic distinction is between those who worked full-year and those who worked part-year.

185. Persons with income from employment during the year constitute the population base for linking employment and income from employment. On the basis of the number of weeks (months or days) worked and the average hours worked per week, the average income from employment per earner and per unit of time worked may be computed and analysed by kind of economic activity. The corresponding analysis for persons with income from self-employment during the year requires detailed information on productive assets and other inputs and may not be feasible unless a full-scale specialised survey is undertaken.¹⁵

186. For the analysis of the relationship between employment and household income, each population category may first be classified by size of total available household income per capita (in order to identify the working poor), and for each size group the sources of total household income may be analysed in conjunction with household composition and relationships.

187. Many other analyses are possible. The one broadly outlined above is meant to be illustrative. Further elaborations are necessary. In particular, pilot field surveys should be undertaken in order to identify the relevant population categories and the appropriate measurement framework for the stated objectives.

Notes

¹ This is the definition adopted in United Nations: Principles and recommendations for population and housing censuses, Series M, No. 67 (New York, 1980), Sales No.: E.80.XIII.8, para. 2.191, p. 93.

² United Nations: A system of national accounts, Series F, No. 2, Rev. 3 (New York, 1968), Sales No.: E. 69.XVII.3.

³ ILO: International standard classification of occupations, revised edition, 1968 (Geneva, 1969), p. 267.

⁴ In some countries the regular members of the armed forces and conscripts are both included in the economically active population as employed. In others, only the regular members of the armed forces are so included. In one country (Sweden) the conscripts are also included if they held a job before being conscripted and continue to hold it. In some other countries conscripts as well as the regular members of the armed forces are included in the economically active population but not treated as employed. In certain other countries conscripts are classified among the not economically active population.

⁵ ILO: International recommendations on labour statistics (Geneva, 1976), pp. 28-29.

⁶ These criteria are adaptations of those proposed by the OECD Working Party on Employment and Unemployment Statistics in connection with the statistical treatment of persons laid off; see para. 164 in this chapter.

⁷ United Nations: Principles and recommendations for population and housing censuses, op. cit., para. 2.196, p. 94.

⁸ For a detailed discussion of the various conceptual and measurement issues involved in the context of the United States of America, see T. Aldrich Finegan: "The measurement, behaviour, and classification of discouraged workers", in Counting the labour force, Appendix Vol. 1, Concepts and data needs, National Commission on Employment and Unemployment Statistics (Washington, D.C., 1979), pp. 194-235.

⁹ OECD: "Conclusions reached by the Working Party on Employment and Unemployment Statistics at its meeting of 9-11 June 1981 relating to layoffs and short-time working", Annex III of restricted document, International guidelines on employment and unemployment statistics, Working Party on Employment and Unemployment Statistics, MAS/WP7(81) 10, 1981.

¹⁰ For example, these categories of workers were specifically identified and classified as unemployed in the half-yearly labour force survey of Hong Kong.

¹¹ ILO: Concepts of labour force underutilisation, Employment research papers (Geneva, 1971), p. 87. A similar proposal, in a different context, was recently made by the United States National Commission on Employment and Unemployment Statistics. The proposal was formulated in terms of measurement of economic hardship and identified three types of labour-market-related economic hardship (resulting from low wages, unemployment and insufficient participation in the labour force) for which measurements are recommended. Counting the labor force, op. cit.

¹² ILO: International recommendations on labour statistics, op. cit., pp. 83-91.

¹³ United Nations: Provisional guidelines on statistics of the distribution of income, consumption and accumulation of households, Series M, No. 61 (New York, 1977), Sales No.: E.77.XVII.11.

¹⁴ With appropriate adjustments if the wide definition of paid employment is adopted.

¹⁵ Labour's share of self-employed income may also be estimated on the basis of econometric methods. See, for example, Carmel Ullman Chiswick: "The distribution of income in Thailand", ILO World Employment Programme working paper WEP 2-23/WP 97 (Geneva, Feb. 1981).

CHAPTER VI

MAJOR CHARACTERISTICS AND CLASSIFICATIONS

188. The framework proposed in the preceding chapter identified a number of categories and subcategories of both the economically active population and the population not economically active. In this chapter some of the major characteristics and classification schemes are set forth for the following broad headings: demographic characteristics, characteristics of the employed and persons with work, characteristics of the unemployed and persons without work, and characteristics of persons not economically active. In addition, attention is drawn to the need for certain specialised statistics, in particular, on children and youth, women and households.

Demographic characteristics

189. The major demographic and related characteristics are:¹

Sex: Male; female.

Age (or date of birth): age groups.

Marital status: single; married; widowed; divorced; and separated.

Educational attainment: no schooling; first level completed or not completed; second level completed or not completed; third level completed or not completed.

Additional items may include national and/or ethnic group, urban-rural, migration status (place of residence and duration of residence), etc.

190. The age-group classification for statistics of the economically active population should conform to the United Nations guidelines on age-group classifications related to this subject area. The draft guidelines, subject to revisions and modifications, provide for three levels of classifications as follows:

Identical age classifications are recommended for the topics under this subject area - labour force participation, employment/unemployment/under-employment, employment compensation and inactive population. Age groupings for this subject area take account of varying minimum legal or lowest actual ages for entry into the labour force and of changing retirement ages in both developing and developed countries. As a result the age classification at the highest level of detail calls for more single-year categories than any of the previous subject areas. Thus, at the highest level of detail, data presentation by single years is recommended for ages 10-24 and 55-74 with five-year groups for ages 25-54 and 75-84.

At the lower end of the spectrum, single-year data are recommended for ages 10-24 to permit detailed analysis concerning child labour and the population entering the labour force after completion of tertiary education...

At the second level of detail, single years have been replaced by five-year groups and five-year groups by 10-year groups. The third level identifies five groups - those under 15, and those 15-24, 25-44, 45-64, 65+ years old in accordance with the other subject areas. The age range for this subject area is under 10 to 85+ years for the first, under 15 to 85+ years for the second and under 15 to 65+ years for the third level of detail.²

191. The minimum age limit adopted for the measurement of the economically active population and its characteristics should be determined in accordance with conditions in each country. The United Nations Principles and recommendations for population and housing censuses further specifies that the minimum age limit adopted for the census questions on economic activity should never be higher than

15 years. This further specification may not be necessary for other sources of statistics if countries which adopt a higher minimum age than 15 years collect additional information on the economic activity of children below that age, where relevant, and publish the results in a way that permits international comparability at least for persons 15 years of age and over.

192. In certain countries, whatever the standard minimum age limit adopted, there may nevertheless be a substantial number of children below that age working in various economic activities, for example, in plantations and other agricultural undertakings producing for commercial purposes and family and small-scale holdings producing for local consumption. In these situations specific data should be obtained on their numbers, characteristics and conditions whether or not they are included as economically active in regular statistics.

Characteristics of the employed and persons with work

193. While certain topics or details relate to one or the other of the two categories of persons, for the most part the characteristics referred to below relate to both the employed and persons with work as defined in the proposed framework of economically active population. The main characteristics and their classifications are:

194. Single or multiple jobholding status: one job; more than one job. For practical purposes, a multiple jobholder may be defined as (i) an employed person who during the reference period (a) had paid jobs with two employers or more; (b) had both paid jobs and own economic enterprise or independent profession or trade; (c) had paid jobs but also worked as an unpaid family worker or member of a producers' co-operative; or (ii) a person with work who during the reference period had more than one own economic enterprise or independent profession or trade. Certain clarifications may be necessary concerning persons employed by private households (e.g. domestic servants, maids, etc.) and persons changing jobs during the reference period.

195. Occupation: occupational groups which are convertible into the groups contained in the latest available revision of the International standard classification of occupations (ISCO).³ For employed persons with more than one job, the main occupation should refer to that of the paid job on which most time was spent during the reference period.⁴ Similarly, for persons with work in more than one economic enterprise, profession or trade, the main occupation should refer to that work, profession or trade on which most time was spent during the reference period. Information on secondary occupation should also be collected wherever feasible and significant.

196. Industry: industry divisions and groups which are convertible into those contained in the most recent available revision of the International standard industrial classification of all activities (ISIC).⁵ For each reported occupation, the corresponding industry is to be indicated. If the main or secondary occupation was performed in more than one industry, criteria for determining which is the main industry in each case, should be established in the same way as for determining the main occupation.

197. Status: employer; own-account worker; employee; unpaid family worker; member of producers' co-operative; or persons not classifiable by status, all as defined by the Statistical Commission of the United Nations.⁶ Certain modifications and elaborations may, however, be necessary. In the case of unpaid family workers, the minimum time criterion may be dropped in line with the proposal made earlier (paragraph 152). Appropriate changes should also be introduced if the employed category is to include certain own-account workers as was indicated earlier (paragraph 133). Regarding agricultural workers, it may be useful to elaborate on the classification by status in order to distinguish among a number of different work statuses, appropriately defined, viz. independent farmer, tenant farmer, sharecropper, day labourer, etc. Such an elaboration may be particularly useful if one of the objectives is to derive a socio-economic classification on the basis of classification by status in combination with other classifications.⁷

198. Sector: public, private (in the case of the employed) and household enterprise; non-household enterprise (in the case of persons with work). In defining these and other sectors reference may be made to some of the sectors and subsectors defined by the United Nations System of National Accounts.⁸ In countries which have developed definitions of informal and formal sectors, the classification by sector may be extended or a separate classification may be introduced to distinguish among workers in the informal and formal sectors.⁹

199. Actual hours worked: size classes for distinguishing between different categories of persons working few hours, part-time, full-time or long hours, e.g. less than 8; 9-15; 15-34; 35-39; 40-47; 48-56; 59 and more hours during the reference week. In the case of multiple jobholders, the measurements should refer both to actual hours worked at all jobs and actual hours worked at the main job. In the analysis of hours of work, the concepts of usual hours of work and normal hours of work may be useful.¹⁰ In some countries, it may be more meaningful, particularly with respect to persons with work, to measure the labour-time disposition of the workers, accounting for the number of days or half-days with work, the number of days or half-days without work but seeking or available for work, and the number of days or half-days without work and not seeking or available for work. Such an account may be used in connection with the measurement of the insufficiency of volume of work described earlier (paragraph 175).

200. Reason not at work: separate categories to distinguish between persons with a job but not at work because of (a) illness or injury; (b) industrial disputes; (c) vacation or holiday; (d) layoff; and (e) other reasons. In some countries another category may be needed to account separately for employed persons on maternity leave or related leave of absence. Regarding persons with work attachment but not at work, the main classification categories may be (a) illness or injury; (b) holiday, religious or social ceremonies; (c) bad weather or breakdown of equipment.

201. Nature of employment or work: one or more of the following three types of classifications may be considered, each reflecting one aspect of the nature of employment or work: (a) part-time; full-time; (b) permanent; temporary; seasonal; and (c) regular, casual. There are no standard international definitions of these classifications and national definitions, where they exist, vary from one country to another. For practical purposes, the three types of classifications may be defined, respectively, in terms of (a) actual (or usual) hours of work (less than a specified number of hours, equal to or more than a specified number of hours); (b) the nature of the contract or work arrangement (unlimited duration, e.g., one year or longer, limited duration, e.g., less than a year, or seasonal); and (c) the basis on which income is received (monthly, bi-weekly, weekly salary or wages on a regular basis or irregularly on a daily or hourly basis or on a piece-rate basis). The last classification - regular, casual - does not apply to persons with work.

202. Reason for less than full-time work: involuntary economic reasons; other reasons. Involuntary economic reasons may be slack work or slack season, material shortages, repairs to plant or equipment, failure to obtain full-time work; etc. Other reasons may include bad weather, personal, family or other responsibilities, etc. The classification should be designed in such a way that it can be used for the measurement of underemployment in the case of persons employed. A similar classification may be applied to persons with work, although it may not necessarily be used for the measurement of insufficiency of work for this category of workers.

203. Additional work (or change of job): seeking or would accept additional work; not seeking or would not accept additional work. This classification is meant to apply to persons with work, irrespective of actual hours worked during the reference period. It provides a basis for measuring the number of persons with insufficient volume of work. Refinements may be introduced for identifying, for example, the reason for seeking or being willing to accept additional work. A similar classification may be applied to persons employed, particularly part-time workers who want full-time jobs and full-time workers who want part-time jobs. There is also interest in identifying full-time workers who want jobs more in line with their qualifications, who want to work in a different region, or who want a supplementary job. Information on these groups could provide a basis for policy measures to improve job satisfaction.

204. Additional characteristics and classifications may include income from paid employment (wage and salaries corresponding to the reference period); level of skill (manual - unskilled, semi-skilled, skilled - non-manual); type of training (on-the-job training, training off the job, apprenticeship, etc.); and place of work (town, own locality, other localities, etc.).

Characteristics of the unemployed and persons without work

205. The items referred to below are meant to serve for classification purposes and also in some cases for enabling a distinction to be made between the unemployed, based on the restricted and extended definitions, and persons without work.

206. Work experience: never worked before; worked before. As a characteristic of the unemployed, the term "work experience" may be interpreted as full-time civilian employment lasting more than a specified duration, e.g. two or four consecutive weeks or more. Such an interpretation may be necessary in order to identify the core new entrants to the civilian paid labour force. Similarly, as a characteristic of a person without work, "work experience" may be interpreted as full-time work lasting more than a specified consecutive duration. Further information on work attachment may be obtained by inquiring when the person last worked, e.g. within the last six months, six to twelve months ago, etc.

207. Last occupation: occupational groups as mentioned in paragraph 195. Given the interpretation of the term "work experience", last occupation should refer to the most recent full-time civilian employment or work that lasted more than the specified duration.

208. Last industry: industry division and groups as mentioned in paragraph 196. Last industry should correspond to the reported last occupation.

209. Last status: status categories as discussed in paragraph 197. Last status should correspond to the reported last occupation.

210. Last sector: sector categories as discussed in paragraph 198. Last sector should correspond to the reported last occupation.

211. Reason for unemployment or being without work: quit work, insufficient income; quit work, poor working conditions; laid off; job completed; left school; wanted to set up independent business or farm; etc. This item is intended to provide information on the circumstances that led to unemployment or being without work. Where there is significant numbers of self-employed (and other non-employees) who were seeking or available for paid employment, an additional category should be considered in order to identify this particular circumstance.

212. Duration of unemployment and duration without work: less than one week; 1 week to 1 month; 1 to 3 months; 3 to 6 months; 6 to 12 months; 12 to 24 months; 24 months or more. Duration of unemployment "means the period from the commencement of the current unemployment status up to the date of the count".¹¹ This description of duration refers to the restricted definition of unemployment. While the same description may also be used for duration of unemployment in the extended sense and for duration without work, these concepts are likely to be difficult to apply with accuracy in practice.

213. Principal method for seeking employment or work: public labour exchange; private labour exchange; direct application to employers; worksites, factory gates, etc.; newspaper advertisements; friends or relatives; steps to establish own business; steps to establish own farm; etc. The last two categories apply only to "persons without work".

214. Reason for not seeking employment: belief that no suitable employment was available in locality; lack of knowledge about where to seek employment; illness; laid off, awaiting recall; awaiting results of previous applications; waiting to start employment at a date subsequent to the reference period; etc.

215. Nature of employment or work sought or available for: as in paragraph 201 three types of classifications may be considered: (a) part-time; full-time; (b) permanent; temporary; seasonal; and (c) regular; casual. The last classification does not apply to persons seeking or available for non-paid employment.

216. Additional items may be the occupation, industry and sector in which employment or work is sought; place of work (within locality, outside locality); lowest acceptable income from employment (daily, weekly or monthly); and present source of livelihood (unemployment insurance benefits; savings; loan; relatives; etc.)

Characteristics of persons not economically active

217. Data on the activities, work experience, labour market attitudes and other characteristics of the population not economically active are of growing importance in many countries. These data can be used for estimating the size and composition of the labour reserve according to various definitions and can thus provide a better basis for formulating labour market policies and for manpower planning. Three major characteristics for classification of persons not currently economically active are (a) current activity status; (b) usual activity status; and (c) work experience.

218. Current activity status. The functional categories suggested in the UN Principles and recommendations for population and housing censuses are: home-makers; students; income recipients; and others (including persons receiving public aid or private support and children not attending school).¹² The recommendations further indicate that an order of preference should be established for recording persons in one or another of the categories since some individuals may be classifiable in more than one functional category (e.g. a person may be a student and a home-maker at the same time). In line with the proposal made earlier (paragraphs 153 to 156) concerning the identification of persons not economically active but contributing to output and welfare, the census functional categories may be elaborated to distinguish separately "community and volunteer workers" and "persons engaged in family subsistence activities" along with the category "home-makers". The priority criterion for recording individuals in one or the other of the extended functional categories should always give preference to persons not economically active but contributing to output and welfare.

219. In countries where unemployment, according to the extended definition, is not measured, population not currently active may be further classified according to desire for work and reasons for not seeking work.

220. Usual activity status. Three main categories may be distinguished: economically active for a major part of the preceding year; economically active in the busy season of the preceding year; and not economically active during the major part or the busy season of the preceding year. The last category may be further subdivided according to the functional categories: home-makers; students; etc.

221. Work experience. The classification of work experience may be defined along the lines described earlier in connection with the unemployed and persons without work (paragraph 206), viz. never worked before; worked before (within last six months, six to twelve months ago, etc.) The relationship existing between the categories of "work experience" and "usual activity status" may be used advantageously to identify separately additional categories of persons not currently active, to sharpen definitions of particular categories of workers (e.g., seasonal workers, discouraged workers) and to detect inconsistencies in reported data.

222. Additional items that may be considered are: intention to seek work; the occupation, industry, status and sector of the most recent employment or work or of the major activity during the preceding year; the nature of employment or work performed, etc.

223. The major characteristics and classifications mentioned above are summarised in chart 6. The data thus collected permit a wide range of analysis at the individual observation level and a multitude of derived classifications and cross-classifications in tabular form.

Chart 6: Major characteristics and classifications

<p><u>Age-group classifications:</u></p> <p>Level of detail</p> <table border="1"> <thead> <tr> <th>Highest</th> <th>Middle</th> <th>Lowest</th> </tr> </thead> <tbody> <tr> <td>-10</td> <td>-15</td> <td>-15</td> </tr> <tr> <td>10-24 (1 yr)</td> <td>15-24 (5 yr)</td> <td>15-24</td> </tr> <tr> <td>25-54 (5 yr)</td> <td>25-54 (10 yr)</td> <td>25-44</td> </tr> <tr> <td>55-74 (1 yr)</td> <td>55-74 (5 yr)</td> <td>45-64</td> </tr> <tr> <td>75-84 (5 yr)</td> <td>75-84</td> <td>65+</td> </tr> <tr> <td>85+</td> <td>85+</td> <td></td> </tr> </tbody> </table> <p>1 yr = single years 5 yr = 5-year groups 10 yr = 10-year groups</p>	Highest	Middle	Lowest	-10	-15	-15	10-24 (1 yr)	15-24 (5 yr)	15-24	25-54 (5 yr)	25-54 (10 yr)	25-44	55-74 (1 yr)	55-74 (5 yr)	45-64	75-84 (5 yr)	75-84	65+	85+	85+		<p><u>Sex:</u></p> <p>Male Female</p> <hr/> <p><u>Marital status:</u></p> <p>Single Married Widowed Divorced Separated</p>	<p><u>Educational attainment:</u></p> <p>No schooling</p> <p>First level:</p> <ul style="list-style-type: none"> - Not completed - Completed <p>Second level:</p> <ul style="list-style-type: none"> - Not completed - Completed <p>Third level:</p> <ul style="list-style-type: none"> - Not completed - Completed
Highest	Middle	Lowest																					
-10	-15	-15																					
10-24 (1 yr)	15-24 (5 yr)	15-24																					
25-54 (5 yr)	25-54 (10 yr)	25-44																					
55-74 (1 yr)	55-74 (5 yr)	45-64																					
75-84 (5 yr)	75-84	65+																					
85+	85+																						
<p><u>Multi-job status:</u></p> <p>One job/enterprise More than one job/enterprise:</p> <ul style="list-style-type: none"> - Jobs with two or more employers - Jobs and own enterprise(s) - Jobs and household enterprise or co-operative - Two or more own enterprises 	<p><u>Occupation(s):</u></p> <p>Convertible to ISCO</p> <ul style="list-style-type: none"> - Main occupation - corresponding to job/enterprise in which worked longest hours - Secondary occupation 	<p><u>Nature of employment or work:</u></p> <p>Based on time worked:</p> <ul style="list-style-type: none"> - Part time - Full time <p>Based on contract:</p> <ul style="list-style-type: none"> - Permanent - Temporary - Seasonal <p>Based on pay:</p> <ul style="list-style-type: none"> - Regular - Casual 																					
<p><u>Status(es):</u></p> <p>Employer Own-account worker Employee Unpaid family worker Member of producers' co-operative Not classifiable by status</p> <p>Additional categories or sub-categories</p> <p>Unpaid family worker:</p> <ul style="list-style-type: none"> - At work at least 1/3 normal working time - At work less than 1/3 normal working time <p>Apprentice:</p> <ul style="list-style-type: none"> - Paid - Unpaid <p>Agricultural worker:</p> <ul style="list-style-type: none"> - Independent farmer - Tenant farmer - Sharecropper - Daily farm labourer - Other 	<p><u>Industry(ies):</u></p> <p>Convertible to ISIC</p> <ul style="list-style-type: none"> - Main industry - corresponding to main occupation - Secondary industry <hr/> <p><u>Sector(s):</u></p> <p>Public Private:</p> <ul style="list-style-type: none"> - Household enterprise - Non-household enterprise <p>Additional categories:</p> <ul style="list-style-type: none"> - Informal - Formal 	<p><u>Reason not at work:</u></p> <p>Persons employed:</p> <ul style="list-style-type: none"> - Illness or injury - Industrial dispute - Vacation or holiday - Layoff - Other, e.g. maternity and related leave of absences <p>Persons with work:</p> <ul style="list-style-type: none"> - Illness or injury - Holiday, religious or social ceremonies - Bad weather, equipment breakdown - Other 																					
	<p><u>Actual hours worked:</u></p> <p>At all jobs At main job</p> <ul style="list-style-type: none"> - 8 hours 8-14 hours 15-34 hours 35-39 hours 40-47 hours 48-56 hours 57+ 	<p>Usual hours of work, i.e. average hours worked per week in a specified number of weeks</p> <p>In the case of persons with work instead of hours worked the labour time disposition may be investigated</p>																					

Chart 6 (concl.)

<u>Reason for less than full-time work:</u> Involuntary reasons: <ul style="list-style-type: none"> - Slack work or slack season - Material shortages - Repairs to plant or equipment - Failure to obtain full-time work - Other Other reasons: <ul style="list-style-type: none"> - Bad weather - Personal or family responsibilities - Other 	<u>Additional work (or change of job):</u> Persons with work: <ul style="list-style-type: none"> - Seeking or would accept additional work - Not seeking nor would accept additional work Persons employed: <ul style="list-style-type: none"> - Want full-time job - Want job more in line with own qualification - Want supplementary job - Want job in other region 	<u>Work experience:</u> <ul style="list-style-type: none"> - Never worked before - Worked before, i.e. had full-time work or civilian employment lasting more than a specified duration: <ul style="list-style-type: none"> - within last 6 months - 6 to 12 months ago - more than 12 months ago <u>Last occupation:</u> Convertible to ISCO Corresponding to most recent work experience
<u>Last industry:</u> Convertible to ISIC Corresponding to reported last occupation	<u>Last status:</u> Corresponding to reported last occupation	<u>Last sector:</u> Corresponding to reported last occupation
<u>Duration of unemployment or without work:</u> Less than 1 week 1 week - 1 month 1 - 3 months 3 - 6 months 6 - 12 months 12 - 24 months 24 months and over	<u>Circumstance of being unemployed or without work:</u> <ul style="list-style-type: none"> - Quit work, insufficient income - Quit work, poor working conditions - Laid off - Job completed - Left school - Wanted to establish own business or farm - Other, e.g. wanted paid employment 	<u>Principal method for seeking employment or work:</u> <ul style="list-style-type: none"> - Registration at a public labour exchange - Registration at a private labour exchange - Direct application to employers, checking at work-sites, factory gates, etc. - Contact friends or relatives - Arrangement to establish own business or farm - Other
<u>Reason for not seeking employment:</u> <ul style="list-style-type: none"> - Belief that no suitable employment available - Lack of knowledge about where to seek employment - Own illness - Laid off, awaiting recall - Awaiting results of previous application - Waiting to start new employment at a subsequent date - Other 	<u>Current activity status of persons not currently economically active:</u> Not economically active but contributing to output and welfare: <ul style="list-style-type: none"> - Home-makers - Persons performing community and volunteer services - Others Other persons not economically active: <ul style="list-style-type: none"> - Students - Income recipients - Others 	<u>Usual activity status of persons not currently economically active:</u> <ul style="list-style-type: none"> - Economically active during the major part of the preceding year - Economically active during the busy season of the preceding year - Not economically active during the major part or the busy season of the preceding year
<u>Nature of employment or work sought or available for:</u> <ul style="list-style-type: none"> - Part time - Full time - Permanent - Temporary - Seasonal - Regular - Casual 	<u>Work experience of persons not currently economically active:</u> <ul style="list-style-type: none"> - Never worked before - Worked before: <ul style="list-style-type: none"> - within last 6 months - 6 to 12 months, etc. 	

Additional statistics on particular groups

224. In this section attention is drawn to the need for certain additional statistics regarding children and youth, women, and households.

Statistics on children and youth

225. More than one out of four persons in the world labour force today are young people (10 to 24 years old). This ratio is even higher in developing countries and is expected to remain at about the same level over the next two decades or so.¹³ In most countries the incidence of unemployment is particularly high among young people. In some societies, particularly in low-income rural areas in developing countries, many children work and provide an important supplement to the incomes of poor families but in the process are deprived of an adequate education and of intellectual development. In order to protect children and their families against undue hardship and to plan more effective measures for easing the transition from learning to earning activities, it is important to obtain specific information on children and youth, particularly in relation to school attendance and their participation in economic activity.

226. Children. Regarding children, who for practical purposes may be defined as the population below the age of 15 years, statistics are needed on the number and characteristics (age, sex and school attendance)¹⁴ of those working, the extent and type of activities in which they are engaged and the characteristics of their parents, including family composition, income and socio-economic status.¹⁵

227. Youth. Regarding youth (15 to 24 years old), data are needed on school attendance and economic activity. In particular, statistics are needed showing the number and characteristics (sex, age and educational attainment) of youth beyond the age of compulsory education who are neither working nor attending school, classified by current status, e.g. military service, unemployment, etc. Statistics on students are also needed, distinguishing between those employed or working (part-time or full-time) and those seeking employment (part-time or full-time). The statistics should distinguish between part-time and full-time students and cover separately the school year period and the vacation period.

228. Apprentices. Data on apprentices are also important in many countries, including developing countries where traditional apprenticeship is widespread, and industrialised countries where apprenticeship programmes are being increasingly expanded. These programmes are intended to function as an initial training system and as a way of easing the transition from school to work and relieving youth unemployment. Some of the basic statistics that are needed relate to the number and characteristics of the apprentices, their occupations and duration of apprenticeships.¹⁶

Female-specific statistics

229. An ever increasing number of women are entering or re-entering the labour market for paid employment every year. In developing countries, the role of women in development is increasingly recognised and policies or strategies of special interest to women are issues of growing importance. An adequate data base concerning women's participation in economic activities as well as other aspects of women's lives is therefore essential for developing and monitoring programmes for the participation of women in development and the promotion of equality between the sexes. Two basic requirements are involved. One is to improve the accuracy of statistics on women and the other is to develop additional statistics on issues of special interest to women.

230. To obtain more accurate statistics on women's participation in economic activity, it is important not only to control available statistics for possible effects of sex-based stereotypes and sex biases¹⁷ but also to conduct, wherever necessary, specialised surveys to identify objectively the size, nature and sources of the biases involved and to develop appropriate methods of reducing them. It may be necessary to conduct specially designed activity/time-use surveys, to experiment with different choices of respondents and interviewers, and to test the significance of other conceptual and operational variations.¹⁸

231. To obtain basic comparative statistics on women's work, the statistics on the economically active population and the population not economically active but contributing to output and welfare should be collected, analysed and reported, wherever possible, on a basis that will show the male and female components separately and, in certain cases, the different marital status categories as well. Disaggregated statistics by sex are needed in particular to assess the sexual division of labour, i.e., to determine, for example, whether the incidence of unemployment is higher among women than among men, whether the economic activities in which women are mostly engaged are significantly less remunerative than those in which men are mostly engaged, etc. Disaggregated statistics by marital status are needed, e.g. to analyse the inter-relationship between economic activity of women and family formation.

232. In addition to statistics on women which can be derived by disaggregation of the basic statistics on the economically active population, supplementary statistics are needed to study certain female-specific issues. For example, statistics are needed to measure women's participation in economic activity in relation to family responsibilities. In this connection, a recent ILO Recommendation specifically refers to the need:

- (a) to collect and publish adequate statistics on the number of workers with family responsibilities engaged in or seeking employment and on the number and age of their children and of other dependants requiring care; and
- (b) to ascertain, through systematic surveys conducted more particularly in local communities, the needs and preferences for child-care and family services and facilities.¹⁹

Statistics are needed in particular to measure the number and characteristics of women who are solely responsible for the support and care of their children. This involves obtaining data relating not only to individuals but also to households or families.

Household- or family-based statistics

233. Household- or family-based statistics should constitute an important complementary element of the statistics on the economically active population. Most people in the world live in families or multi-person households. Decisions regarding the participation of a given member of the family or household in economic activity often depend on the circumstances of the other members of the family or household. In some cases, particularly in rural areas of developing countries, economic activity is organised on a household basis and all or almost all of the household's members take part operating the household enterprise. The economic status of the members of the family or household generally depends on the income and assets of the family or household. The need for household- or family-based statistics for analysing the relationship between employment and income has already been stressed in Chapter V.

234. Two types of household- or family-based statistics should be distinguished. First, there are statistics where the unit of measurement is the household or family itself. The households or families are classified by demographic, economic and other characteristics. Important statistics of this type relate to the number of households or families classified by size and composition. In the demographic context, size refers to the number of household or family members, while composition generally refers to the type of household, e.g. nuclear, extended, etc., or the type of family nucleus, e.g. a married couple without children, a married couple with one or more children, etc.²⁰ In the economic context, size may refer to the number of earners in the household or family, e.g. no earner, one earner, two earners, etc., and composition may refer to the household or family relationship of the earner or earners, e.g. husband the only earner, wife the only earner, husband and wife both earners, etc. Other classifications should also be considered, for example, the classification of households or families according to whether there is at least one member unemployed or without work, or according to the employment or work characteristics of the head (or the reference person) of the household, e.g. occupation, industry or status.

235. The other type of household- or family-based statistics is based on the individual as the unit of measurement. The individual is analysed in the context of the household or family of which he or she is a member. Important statistics of this type relate to the number of employed or persons with work living in households or families with no other member employed or with work, classified by sex, or the number of unemployed or persons without work living in households or families with no member employed or with work also classified by sex. Other important statistics of this type may relate to the number of unemployed or persons without work, male or female, classified by presence of dependent children in the household or the family or by level of household or family income.

Notes

¹ For details, see United Nations: Principles and recommendations for population and housing censuses, Series M, No. 67 (New York, 1980), Sales No.: E.80.XIII.8.

² United Nations Statistical Commission, Twenty-first Session: Draft guidelines on age-group classifications, (New York, doc. E/CN.3/550, 29 July 1980), pp. 22-23.

³ At present, the latest revision is ILO: International standard classification of occupations, Revised edition, 1968 (Geneva, 1969).

⁴ For the statistics on employment and income, the criterion for determining the main occupation may be based on the most remunerative occupation during the reference period.

⁵ At present, the latest revision is United Nations: International standard industrial classification of all economic activities, Statistical papers, Series M, No. 4, Rev. 2 (New York, 1968), Sales No.: E.68.XVII.8. See also United Nations: Indexes to the international standard industrial classification of all economic activities, Statistical papers, Series M, No. 4/Rev. 2/Add. 1 (New York, 1971), Sales No.: E. 80.XVII.8.

⁶ See: Principles and recommendations for population and housing censuses, op. cit., paras. 2.206-2.208.

⁷ For a detailed study on the classification by status of the non-wage-earning population in Central and West Africa, see P. Verneuil: Éléments pour la classification des non-salariés de la petite production en Afrique de l'Ouest et du Centre, Groupe de recherche AMIRA No. 29, Nov. 1979 (Paris, Institut national de la statistique et des études économiques, Nov. 1979).

⁸ United Nations: A system of national accounts, Series F, No. 2, Rev. 3 (New York, 1968), Sales No.: E. 69.XVII.3, table 5.1.

⁹ ILO: The urban informal sector in developing countries, ed. S.V. Sethuraman (Geneva, 1981), Chapter 2. See also K.M. Bashir: "Statistics concerning the urban informal sector", in Bulletin of Labour Statistics (Geneva, ILO), 1st quarter 1980.

¹⁰ The concepts of actual hours of work and normal hours of work with particular reference to wage earners and salaried employees are defined in the Resolution concerning statistics of hours of work adopted by the Tenth ICLS (October 1962); see ILO: International recommendations on labour statistics, (Geneva, 1976), pp. 58-60. For practical purposes, the concept of usual hours of work may be defined for example as the average actual hours worked per week, where the average is taken over a long reference period.

¹¹ ILO: International recommendations on labour statistics, op. cit., p. 30.

¹² United Nations: Principles and recommendations for population and housing censuses, op. cit., paras. 2.196 and 2.197.

¹³ ILO: Labour force estimates and projections 1950-2000 (Second edition, 1977), Vol. V, World summary, pp. 55-56.

¹⁴ For a definition of school attendance, see United Nations: Principles and recommendations for population and housing censuses, op. cit., paras. 2.168-2.171.

¹⁵ For a detailed description of data requirements, concepts and definitions regarding children's work, see ILO: Child work, poverty and underdevelopment, eds. Gerry Rodgers and Guy Standing, Geneva, 1981.

¹⁶ For a detailed comparative study of apprenticeship in industrialised market economy countries, see: Apprenticeship in foreign countries, United States Department of Labor, Employment and Training Administration, R and D monograph 77 (Washington, D.C., 1980). In this study a working definition of apprentices is formulated.

¹⁷ These are discussed in detail in United Nations: Sex-based stereotypes, sex biases and national data systems (New York, doc. ST/ESA/STAT/99, 11 June 1980).

¹⁸ For some experimental formulations of survey questionnaires on these and related issues, see ILO: Research on women's roles and demographic change: survey questionnaires for households, women, men and communities with background explanations, by Richard Anker (Geneva, May 1980).

¹⁹ International Labour Conference: Workers with Family Responsibilities Recommendation, 1981 (No. 165).

²⁰ For details, see United Nations: Principles and recommendations for population and housing censuses, op cit., paras. 2.73-2.85.

CHAPTER VII

DATA COLLECTION AND DISSEMINATION

236. A carefully designed data collection programme is essential for the compilation of adequate and accurate statistics on the economically active population and for harmonising them with statistics on related topics. This chapter discusses the scope, sources and programme of data collection, selected measurement issues and forms of dissemination.

Scope, sources and programme

Scope

237. The statistics of the economically active population should cover all branches of economic activity, all persons employed, underemployed and unemployed, with work, with insufficient volume of work and without work, and all status groups (employers, employees, etc.). It should also cover persons not economically active but contributing to output and welfare as well as other persons currently or usually inactive.

Sources

238. The sources of statistics on the economically active population may be grouped into three broad categories: household surveys, including population censuses; establishment surveys; and administrative records. Although there are advantages and disadvantages as regards scope, coverage, cost, flexibility, etc., in using one source rather than the other, it is useful to regard the different sources as complementary rather than alternative instruments of data collection. Statistics derived from one may usefully be linked and used with those derived from another or confronted with each other for evaluation purposes, provided that care has been taken to harmonise, to the extent possible, concepts, definitions and classifications.

239. In comparing household surveys and establishment surveys, a number of considerations should be taken into account. While household surveys basically measure the activity status of individuals, establishment surveys count the number of occupied jobs as listed in the payrolls. Hence in establishment surveys persons with a job but temporarily absent without pay are excluded while multiple jobholders are counted more than once. Household surveys cover in principle the entire target population, including the population not economically active, but establishment surveys are generally restricted to employees, and often only to employees in establishments above a certain minimum size. The fact that all categories of workers and the population not economically active can be reached through household surveys gives them a unique advantage for the measurement of the total and potential labour force and, in general, the degree of attachment of various groups to labour market activities. In terms of items of inquiries, flexibility is also greater in household surveys than in establishment surveys. Since in household surveys individuals are reached directly, supplementary information on such relevant characteristics as demographic characteristics, education, skills, and migration status may be usefully obtained, along with the basic information on labour force characteristics. In establishment surveys, however, the items of information are, in general, limited to those available in the records and payroll lists. In the case of sample surveys, moreover, owing to the possibility of using area sampling for household surveys, the common problem of deficient sampling frames is less serious than it is for establishment sample surveys.

240. On the other hand, establishment surveys can provide more accurate employment data in the organised sector of the economy than household surveys, especially when the interest is on specific industries. This is because control of sampling variability of results for specific industries can be achieved more efficiently through establishment surveys than through household surveys. Moreover, because the results of establishment surveys are based on records and payroll lists, they are subject to a smaller degree of measurement error than the results of household

surveys based on individual recalls and interviewer assessment. In addition, in establishment surveys information on employment can be related more accurately to earnings and hours or days of work for each job occupied, a set of information which is often difficult to obtain and match accurately through household surveys. Finally partly because of the fewer contacts involved, establishment surveys are generally less costly to undertake and provide more timely results than household surveys.

241. The statistics derived from administrative records are based mostly on unemployment insurance records and employment service registers.¹ They are widely used in industrialised countries as sources of current statistics on unemployment. In some countries they are also used to derive unemployment statistics for local areas. However, the statistics obtained from unemployment insurance records or employment service registers have certain limitations. They may exclude certain categories of persons seeking employment, e.g. students, housewives, retired persons, etc. Moreover, their coverage varies considerably and depends to a great extent on the legislation in force in the various countries, while within countries the coverage may change with changes in the relevant legislation.

242. For these and other reasons, statistics on the economically active population derived from household surveys are generally more appropriate for purposes of international comparison.

Programme

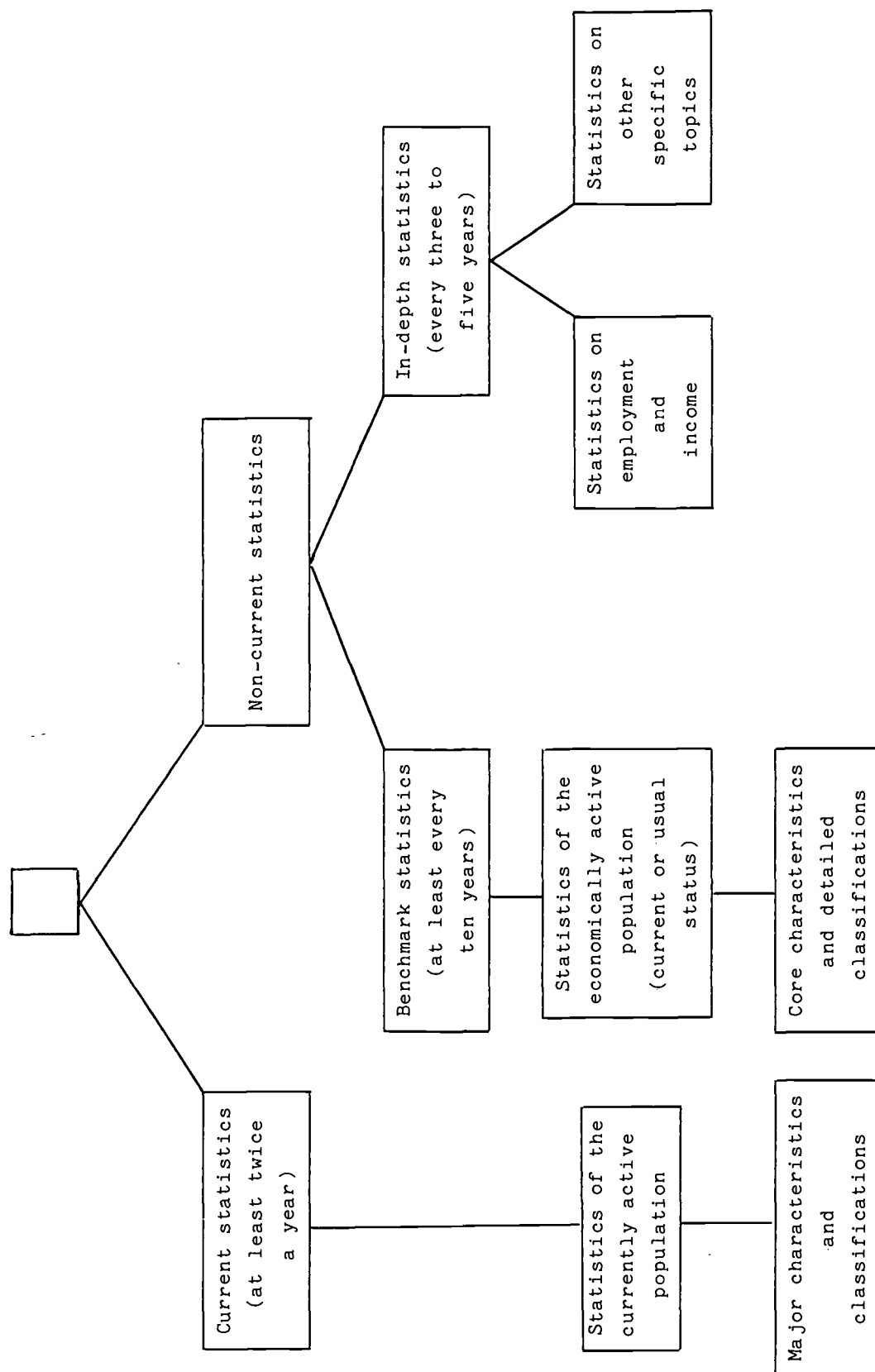
243. The programme of collection and compilation of statistics of the economically active population should specifically provide for both short-term and longer-term needs, i.e. statistics for current purposes compiled frequently on a recurrent basis, and statistics compiled at longer intervals for structural analysis (see chart 7).

244. The programme of current statistics should encompass statistics of the currently active population and the population not currently active. It should cover to the extent possible the major characteristics and classifications mentioned in Chapter VI. The data should be collected annually with at least twice-yearly estimates of principal aggregates, so that seasonal variations, whenever they exist, can be adequately captured. These data may be obtained from household sample surveys, where the sample is spread over the year or taken at two points in time coinciding with the busy and slack seasons. More frequent statistics may be required to measure month-to-month or quarter-to-quarter changes in one or more of the components of the paid labour force, in particular the level of employment and the level and rate of unemployment. These may be obtained from monthly or quarterly household surveys or by combining statistics obtained from establishment surveys and administrative records.

245. The non-current programme should provide benchmark data on the economically active population and in-depth statistics on particular aspects. The benchmark data, compiled at least every ten years on the basis of population censuses, should cover a few core characteristics but the breakdown into classifications should be very detailed.² The core characteristics may include sex, age, marital status, educational attainment, occupation, industry, status, sector of employment and time worked. The classifications should be as detailed as possible so that detailed information can be obtained on the geographic, demographic, occupational and other structural aspects of the economically active population and the population not economically active. Benchmark data on employment and earnings of persons in establishments may also be obtained as part of a programme of industrial statistics.³

246. In-depth statistics should be collected periodically, e.g. once in every three or five years, on topics needed for a detailed analysis of particular categories of workers and particular aspects of economic activity. The choice of topics for in-depth investigation may vary from one period to another depending on priorities and development plans. Some important topics mentioned in earlier chapters which require periodic in-depth statistics are statistics on employment and income, statistics on children and youth, statistics on women, and household-based statistics. Another important topic concerns time-use statistics. In the context of the economically active population, these statistics may be particularly useful for studying productivity and for analysing, interpreting and ultimately improving the statistics of the economically active population themselves, owing to the greater detail and physical measures they provide, particularly on women's and children's activities.

Chart 7: Data collection programme: Proposed framework (13th ICLS, 1982)



247. The collection of the in-depth statistics may be tied to the programme of current statistics so that a continuous programme of current and in-depth statistics can be developed. One advantage of such an integrated programme is the possibility of relating statistics on the economically active population to statistics on other topics such as income and consumption, fertility and migration, as well as topics mentioned earlier.⁴

Selected measurement issues

248. Like any other set of statistics, the statistics on the economically active population are subject to errors. While the data collection programme should be carefully designed to minimise possible errors, some are bound to occur. A careful interpretation of the results, therefore, requires some knowledge about the quality of the data. An evaluation of data quality is also necessary to improve upon data collection, processing and estimation procedures in subsequent rounds of the programme. The evaluation procedure should, as far as possible, form part of the data collection programme itself. The purpose of this section is to draw attention to some of the particular measurement issues which affect statistics on the economically active population, namely, sex-based stereotypes affecting women in particular, proxy responses, evasive responses, and coding of occupation and industry.

249. Sex-based stereotypes. For various social, economic or cultural reasons, what exactly constitutes work and economic activity for measurement purposes in household surveys is often unclear to the respondent and sometimes to the interviewer as well. This is especially true of female activities. Owing to sex-based misconceptions, a male respondent may, deliberately or not, fail to report the economic activity of his wife who assists in the operation of the household enterprise, such failures may result in an underestimation of unpaid family workers. Unemployment may also be underestimated, for example, because certain women seeking and available for work may find it socially convenient to declare themselves as "housewives". Also, an interviewer seeing a woman at home may automatically classify her as economically inactive, without inquiring into possible part-time or home-based activities, thus contributing to an underestimation of female participation in economic activity.

250. In surveys, response errors due to sex-based misconceptions may be evaluated by analysing a sample of cases for inconsistencies and rare combinations of reported values. In-depth re-interviews or independent re-interviews under the same conditions or detailed time-use studies, if carefully designed and conducted, would provide formal estimates of the response bias or variance due to sex-based stereotypes.⁵ The effect of using female interviewers as opposed to men may also be investigated.

251. Proxy response. In the majority of cases, the data recorded in labour force surveys are obtained by proxy response, i.e. from a respondent other than the household member in question. To the extent that some characteristics of the household member may not be fully known to the respondent (e.g. number of hours actually worked) or may be subjective in nature (e.g. availability for work) proxy response may be subject to errors.

252. In general, errors due to proxy response are difficult to evaluate as they are often confounded with other effects. Their evaluation, in isolation or in combination with other aspects of survey operations, therefore requires a careful design of experiment.

253. Evasive responses. Apart from errors introduced by sex-based misconceptions and proxy response, other response errors may occur, especially when the respondent purposely seeks to distort the truth about sensitive topics. Sensitive topics include work without a permit, a question which particularly affects the count of migrant workers, an undeclared second job, illegal or socially unacceptable activities, and child labour and income. Also, persons registered for unemployment insurance may omit declaring some occasional economic activities for fear of losing their unemployment benefits.

254. Methods for evaluating data quality with respect to evasive topics are difficult to formulate and even harder to administer. Italy is experimenting with the collection of time-use data as a means of pinpointing clandestine work that may have gone undetected with the use of standard labour force questionnaires.⁶ Another method designed to deal with sensitive questions is the randomised response technique.

255. Coding. Coding errors are of concern especially in connection with occupation and industry coding. Wherever studies have been made of occupation and industry coding in labour force surveys or population censuses, the results have shown that the errors may be substantial. For example, in the 1970 Swedish census of population, the estimated error rates were 13.5 per cent in coding occupation (at the 3-digit level) and 9.9 per cent in coding industry (at the 4-digit level).⁷ In the 1970 population census in the United States the corresponding estimated error rates were 13.3 per cent (with standard error equal to 0.4 per cent) and 9.1 per cent (with standard error equal to 0.34 per cent), respectively.⁸ In labour force sample surveys the data on occupation and industry are generally reported at the major group or division level and to some extent, therefore, the coding errors cancel each other out in the process of aggregation. But it should be borne in mind that this process reduces the individual coding errors by only less than half according to the empirical results. Also, it should be noted that the coding errors are compounded in joint tabulations, for example, joint tabulations of occupation and industry, joint tabulations of primary and secondary occupation and tabulations of occupational mobility.

256. Given the magnitude of the error rates, control and evaluation procedures and independent verification systems should be incorporated into large-scale coding operations. Since the quality of the outgoing codes depends, in the first place, on the structure of the coding system and the initial reporting of respondents, the development of appropriate occupation and industry classifications and clear coding instructions at the field level are essential and should receive high priority.

Dissemination

257. The traditional and still the most common means of disseminating statistical information is through publications in the form of tabulations. Owing to the particular importance of timeliness of statistics on the economically active population, they should be issued promptly, possibly in stages, first by publishing preliminary reports as soon as the main aggregates are available, and then by publishing one or more final reports giving the revised and more detailed statistics.

258. With the expansion of computer capabilities, it is now possible to disseminate more detailed statistical information and primary data items through direct access to data or tabulations stored in computers and through the release of public-use tapes or other forms of mass storage. Computer-stored primary data are also useful for preparing special tabulations on request. Where primary data are concerned, it is essential to take measures to safeguard confidentiality and prevent abuse of the information.

259. Whatever the means of statistical dissemination, every release of statistics or data on the economically active population, whether recurring or single-time, should clearly indicate the nature of the statistics or data and make reference to any detailed technical descriptions. In particular, descriptions should be given of the scope, the major concepts and definitions, the method of data collection, the sample design if sampling is used, the methods of estimations and computations including seasonal adjustment procedures if applied, the quality of the statistics or data, including sampling and non-sampling errors, and descriptions of changes in historical series and the relationship with other sources of data and related bodies of statistics.⁹ When the national concepts and definitions do not conform closely to the international ones, explanations should be given and the main aggregates should, if possible, be computed on the basis of both the national and international definitions. Alternatively, the necessary statistics (the building blocks) to make the conversion should be provided.

Notes

¹ Other administrative records such as payrolls and archives of civil service administrations, government enterprises and public institutions are also used for gathering information on employment in the public sector.

² United Nations: Principles and recommendations for population and housing censuses, Series M, No. 67 (New York, 1980), Sales No.: E.80.XVII.8.

³ United Nations: Recommendations for The 1983 World Programme of Industrial Statistics, Statistical papers, Series M, No. 71, Part I and Part II (New York, 1981), Sales Nos.: E.81.XVII.11 and E.81.XVII.12.

⁴ For a discussion of the various advantages of an integrated programme of data collection, see United Nations: The National Household Survey Capability Programme: Prospectus (New York, 1980); technical details are also given in the draft revised Handbook of household surveys, United Nations publication (in preparation).

⁵ For further details, see United Nations: Sex-based stereotypes, sex biases and national data systems (doc. ST/ESA/STAT/99, 11 June 1980), pp. 23-31.

⁶ Grazia Giacomini Arangio-Ruiz: "Recent ISTAT experience concerning the monitoring of unrecorded employment", Paper prepared for the Fourth Meeting of the OECD Working Party on Employment and Unemployment Statistics, restricted doc. MAS/W P7(80)3 (Paris, 14-16 April 1980).

⁷ Sweden, Lars Lyberg: "Control of the coding operation in statistical investigations - Some contributions", in Urval (Stockholm, Statistiska Centralbryan), No. 13, Mar. 1981, p. 28.

⁸ United States Bureau of the Census: Coding performance in the 1970 census, Evaluation and research program PHC(E)-8 (Washington, D.C., April 1974), p. 10.

⁹ International guidelines for presenting the quality of statistics obtained from surveys of households or individuals are now being developed by the Conference of European Statisticians.

A N N E X

N.B. This draft resolution incorporates certain changes in concepts and terminology developed after the text of the report had been sent for publication.

DRAFT RESOLUTION CONCERNING
STATISTICS OF THE ECONOMICALLY ACTIVE POPULATION,
EMPLOYMENT, UNEMPLOYMENT, UNDEREMPLOYMENT
AND INCOME FROM EMPLOYMENT

The Thirteenth International Conference of Labour Statisticians,

Having been convened at Geneva by the Governing Body of the ILO and having met from 18 to 29 October 1982,

Recalling the existing international standards concerning statistics of the labour force, employment and unemployment contained in Resolution No. I adopted by the Eighth Conference (1954) and concerning measurement and analysis of under-employment and underutilisation of manpower contained in Resolution No. III adopted by the Eleventh Conference (1966),

Recognising the need to revise and broaden the existing standards in order to enhance their usefulness in the provision of technical guidelines to all countries and particularly those with less developed statistics, and recognising the usefulness of such standards in enhancing the international comparability of the statistics,

Adopts, this day of , the following resolution in substitution for Resolution No. I of the Eighth Conference and Resolution No. III of the Eleventh Conference.

GENERAL OBJECTIVES AND SCOPE

1. Each country should aim at developing a comprehensive system of statistics of the economically active population, in order to provide an adequate statistical base for the various users of the statistics, taking account of the specific national needs and circumstances. In particular, the system should provide for needs in connection with the measurement of the extent and incidence of available and unused human resources, for purposes of macro-economic monitoring and manpower development planning, and the measurement of the relationships between employment and income, for purposes of formulating and monitoring employment creation policies, income maintenance schemes and vocational training programmes.

2. In order to realise the above objectives, the programme of statistics of the economically active population should, in principle, cover all branches of economic activity, all sectors of the economy, and all status groups (employees, own-account workers, etc.), and should be developed, to the fullest extent possible, in harmony with other economic and social statistics.

3. The over-all programme should specifically provide for both short-term and longer-term needs, i.e., statistics for current purposes compiled frequently on a recurrent basis, and statistics compiled at longer intervals for structural and in-depth analysis.

- (a) The current statistics programme should encompass statistics of the currently active population and the population not currently active, in such a way that trends and seasonal variations can be adequately monitored.
- (b) The non-current statistics programme should provide (i) bench-mark data on the economically active population and (ii) in-depth statistics on the relationships between employment and income and on other particular topics (e.g., children and youth, women, households) as determined by the long-term and continuing needs.

4. Household surveys, on a sample or census basis, generally constitute the most suitable means of collection of data on the economically active population and for linkage with data on other related topics. Establishment surveys and administrative records may also serve as a basis for obtaining statistics on particular components and characteristics of the economically active population.

5. In designing national household surveys or other means of data collection on the economically active population, efforts should be made, in so far as possible, to incorporate the international standards. In order to promote comparability of the statistics among countries, where national concepts and definitions do not conform closely to the international standards, explanations should be given and the main aggregates should, if possible, be computed on the basis of both the national and the international standards. Alternatively, the necessary components should be identified and provided separately in order to permit conversion from the national to the international standards.

CONCEPTS AND DEFINITIONS

The economically active population

6. The "economically active population" comprises all persons of either sex who furnish the supply of labour for the production of economic goods and services during a specified time-reference period. It can be quantified by measuring the "currently active population" or by measuring the "usually active population".

The currently active population

7. The "currently active population" refers to the total labour force at a given point of time, typically a brief reference period not longer than one week. It comprises all persons above a specified age who fulfil the requirements for inclusion among the employed or the unemployed as defined in paragraphs 9 to 18 below.

The usually active population

8. (1) The "usually active population" comprises all persons above a specified age who were employed or unemployed during the major part of a longer specified time period such as the preceding 12 months or the preceding calendar year.

(2) Where this concept is used, the measurement should be limited to dividing the population into "usually active" and "not usually active". Finer distinctions by activity status are, in general, not practical or meaningful.

Persons in employment

9. (1) "Persons in employment" comprise all persons of either sex above a specified age who, during a specified brief reference period not longer than one week, were in "paid employment" or in "self-employment" as defined in paragraphs 10 and 11 below.

(2) For persons who may be classifiable in more than one category of "persons in employment" criteria need to be established for determining the order of priority for recording such persons in one or the other of the categories.

10. (1) "Persons in paid employment" comprise all persons in the following categories:

- (a) "at work"; persons who during the reference period performed some work for wages, salary or related payments, in cash or in kind;
- (b) "with a job but not at work"; persons who, having already worked in their present job, were absent during the reference period and continued to have a strong attachment to their job. The strength of job attachment, strong or weak, should be determined in the light of national circumstances, according to one or more of the following criteria:

- (i) the elapsed length of absence, leave or layoff;
- (ii) an assurance of return to work following the end of the contingency or the end of the leave, or an agreement as to the date of recall;
- (iii) the continued receipt of wages, salary or related payments.

(2) Persons absent from their job because of illness or injury, industrial dispute, vacation, educational leave, maternity leave or other leave of absence, absence without leave, temporary disorganisation of work due to such reasons as bad weather or mechanical breakdown, or layoff should be considered in paid employment provided they continued to have a strong job attachment.

(3) [Own-account workers who were paid directly for services performed], apprentices who received pay in cash or in kind, and students who worked for pay on a full-time or part-time basis should be considered in paid employment and classified as "at work" or "not at work" on the same basis as other persons in paid employment.

(4) Members of the armed forces should be included among persons in paid employment. The armed forces should include both the regular and the temporary members as specified in the most recent revision of the International Standard Classification of Occupations (ISCO).

(5) Persons in the following categories are not considered as being in paid employment:

- (a) employers, own-account workers [other than those who were paid directly for services performed], unpaid family workers, and members of producers' co-operatives;
- (b) persons absent from work, on leave, or on layoff, with weak job attachment.

11. (1) "Persons in self-employment" comprise all persons in the following categories:

- (a) "at work"; persons who during the reference period performed some work for profit or family gain, in cash or in kind;
- (b) "with work but not at work"; persons who during the reference period had work to be performed at the workplace but were temporarily absent due to illness or injury, vacation, holiday or ceremonies, bad weather or other similar reasons.

(2) Employers, own-account workers [other than those who were paid directly for services performed], members of producers' co-operatives, and unpaid family workers, irrespective of the number of hours worked, should be considered in self-employment and should be classified as "at work" or "not at work" as the case may be.

(3) The following categories of persons are not considered as being in self-employment:

- (a) homemakers, persons performing unpaid community and volunteer services, and other unpaid persons engaged in activities which fall outside the boundary of economic activities;
- (b) seasonal own-account and seasonal unpaid family workers in the off-season who were not working during the reference period.

Persons in unemployment

12. (1) "Persons in unemployment" should be defined according to either the "restricted" or the "extended" definition as specified in paragraphs 13 to 18 below.

(2) The choice between the restricted or the extended definition should be determined in the light of national circumstances. Where the restricted definition is adopted, persons who satisfy the broader conditions of the extended definition should be identified and classified separately among the population not currently

active. Similarly, where the extended definition is adopted, the statistics should also identify and classify separately persons who satisfy the conditions of the restricted definition.

13. "Persons in unemployment", according to the restricted definition, comprise all persons of either sex above a specified age who during the specified reference period were "seeking paid employment" or were "seeking self-employment" as defined in paragraphs 14 and 15 below.

14. (1) "Persons seeking paid employment" (restricted sense) comprise all persons in the following categories:

(a) persons who during the reference period were:

- (i) "without work", i.e., were not in paid employment or self-employment during the reference period;
- (ii) "seeking paid work", i.e., had taken specific steps to seek work for wages, salary or related payments in a specified recent period such as the previous month; and
- (iii) "currently available for paid work", i.e., were in a position to take up such work immediately or shortly;

(b) persons who during the reference period were without work, currently available for paid work and had made arrangements to start a new paid job at a date subsequent to the reference period.

(2) Persons absent from work, on leave, or on layoff with weak job attachment who were seeking paid work during the specified recent period, persons seeking apprenticeships, and students seeking full-time paid work during the vacation period or part-time paid work during the school period should be included among persons seeking paid employment on the same basis as other persons seeking paid employment.

(3) The following categories of persons are not considered as seeking paid employment:

- (a) persons without work who had not taken specific steps to seek paid work during the specified recent period or who were not in a position to take up paid work immediately or shortly;
- (b) persons absent from work, on leave, or on layoff with weak job attachment who were not seeking paid work during the specified recent period.

15. "Persons seeking self-employment" (restricted sense) comprise all persons who were without work during the reference period and who, in a specified recent period such as the previous month, were seeking self-employment or had taken concrete steps to establish their own enterprise.

16. "Persons in unemployment", according to the extended definition, comprise all persons of either sex above a specified age who, during the specified reference period, were "available for paid employment" or "available for self-employment" as defined in paragraphs 17 and 18 below.

17. (1) "Persons available for paid employment" (extended sense) comprise all persons in the following categories:

- (a) all persons seeking paid employment according to the restricted definition (paragraph 14 above);
- (b) persons without work who were currently available for paid work but who were not seeking paid work during the specified recent period for one or more of the following reasons: belief that suitable paid work was not available, lack of knowledge about where to find paid work, awaiting recall to work, awaiting results of previous applications, awaiting the agriculture season, or other specified reasons.

(2) Persons absent from work, on leave, or on layoff with weak job attachment who were not seeking paid work during the specified recent period should be included among persons available for paid employment according to the extended definition if currently available for paid work.

(3) The following categories of persons are not considered as available for paid employment:

- (a) persons who were not seeking paid work because of school or family responsibilities or other similar reasons;
- (b) seasonal workers who were not currently available for paid work.

18. "Persons available for self-employment" (extended sense) comprise all persons in the following categories:

- (a) all persons seeking self-employment according to the restricted definition (paragraph 15 above);
- (b) persons with their own individual or household enterprise who did not perform any work during the reference period for reasons such as lack of instruments to work with, lack of funds, awaiting the agriculture season, etc.

Population not currently active

19. (1) The "population not currently active" comprises all persons of either sex who were not in "employment" or "unemployment" during the brief reference period. It includes the following functional categories:

- (a) "homemakers": persons of either sex, not economically active, who were engaged in household duties in their own home, for example, housewives and other relatives responsible for the care of the home and children;
- (b) "students": persons of either sex, not economically active, who attended any regular educational institution, public or private, for systematic instruction at any level of education;
- (c) "income recipients": persons of either sex, not economically active, who received income from property or other investment, royalties or pensions from former activities;
- (d) "others": persons of either sex, not economically active, who were receiving public aid or private support, and all other persons not falling into any of the above categories, such as children not attending school or persons in hospitals, prisons or other civilian institutions.

(2) Where necessary, separate subcategories may be introduced to account for (i) persons engaged in unpaid community and volunteer services and (ii) other unpaid persons engaged in marginal activities which fall outside the boundary of economic activities.

Analytical concepts

20. (1) The sum of "persons in paid employment" and "persons seeking (or available for) paid employment" is the "paid labour force".

(2) The sum of "persons in self-employment" and "persons seeking (or available for) self-employment" is the "not paid labour force".

(3) The sum of the "paid labour force" and the "not paid labour force" is the "total labour force".

(4) The "civilian labour force" is obtained by deducting the "armed forces" from the "total labour force".

21. Based on the above elements various analytical measures may be derived. In particular, two rates of unemployment may be computed:

- (a) the ratio of "persons in unemployment" to the "total labour force".
- (b) the ratio of "persons seeking (or available for) paid employment" to the "paid labour force".

Underemployment

22. Underemployment exists when a person's employment is inadequate in relation to specified norms or alternative employment, account being taken of his or her occupational skill (training and working experience). Two principal forms of underemployment may be distinguished: visible and invisible.

23. (1) Visible underemployment is primarily a statistical concept directly measurable by labour force and other surveys, reflecting an insufficiency in the volume of employment.

(2) Invisible underemployment is primarily an analytical concept reflecting a misallocation of labour resources or a fundamental imbalance as between labour and other factors of production. Characteristic symptoms might be low income, under-utilisation of skill, low productivity.

24. For operational purposes, the measurement of underemployment may be limited to visible underemployment.

25. Two elements of the measurement of visible underemployment should be distinguished:

- (a) the number of persons in underemployment;
- (b) the volume of underemployment.

Persons in underemployment

26. (1) "Persons in underemployment" form part of "persons in employment". It comprises the following two categories:

- (a) persons who during the reference period were in paid employment of less than full-time duration for involuntary economic reasons;
- (b) persons in self-employment who during the reference period were currently available for additional work.

(2) The concept of full-time duration should be determined in the light of national circumstances on the basis of a specified number of hours or days worked (actual, usual or a combination), which may be the same for all branches of economic activity or different for certain branches of economic activity. Involuntary economic reasons may include such reasons as slack work or slack season, material, shortages, repairs to plant or equipment, failure to obtain full-time work, etc. Excluded are reasons such as bad weather, personal or family responsibilities, etc.

Volume of underemployment

27. The "volume of underemployment" (including unemployment) may be estimated on the basis of a complete account of the labour-time disposition of persons in the labour force as follows.

(1) For each person in the labour force, a record is made on a daily or half-daily basis covering the reference period to obtain:

- (a) the number of days or half-days with work (at work or not at work) during the reference period;
- (b) the number of days or half-days without work but available for work;
- (c) the number of days or half-days without work and not available for work.

(2) Then, using the first two sets of numbers, an estimate of the volume of underemployment as a fraction of the total labour-time available is derived by computing the ratio of the aggregate of (a) to the aggregate of (a) and (b).

(3) The ratio may be further used to estimate the total volume of underemployment in terms of man-days.

Employment and income relationships

28. Two types of relationships are distinguished:

- (a) the relationship between "employment" and "income from employment", to be measured for the purpose of determining the income generating capacity of different economic activities;
- (b) the relationship between "employment", "income from employment" and "household income", to be measured for the purpose of identifying the number and characteristics of persons who are unable to maintain the economic well-being of themselves and their households on the basis of the employment opportunities available to them.

Persons in employment

29. For the purpose of statistics on employment and income, "persons in employment" comprise all persons of either sex above a specified age in the following categories:

- (a) "persons with income from paid employment": persons who worked as civilians at any time during a specified period such as the preceding 12 months or the preceding calendar year, and who derived mainly wages, salary or related payments for their work;
- (b) "persons with income from self-employment": persons who worked as civilians at any time during the specified period, and who derived mainly entrepreneurial income for their work.

Income from employment

30. "Income from employment" of persons in employment consists of:

- (a) "income from paid employment": wages and salaries and related payments, in cash or in kind;
- (b) "income from self-employment": the share of gross entrepreneurial income, in cash or in kind, corresponding to the labour input during the specified period.

Household income

31. (1) "Household income" refers to one or the other of the following two concepts:

- (a) "total household income": the total annual income of households before taxes and before payment of social security and pension fund contributions;
- (b) "total available household income": the amount obtained by deducting direct taxes and social security and pension fund contributions from total household income.

Analysis

32. The relationships between employment and income may be estimated by analysis of data on the distribution of persons in employment by (i) duration of work, (ii) income from employment and (iii) household income. In practice a variety of such estimates may be derived depending on the assumptions made and the analytical methods followed.

CLASSIFICATIONS

33. Classifications of the economically active population, the employed and the unemployed (the latter on the basis of their most recent work experience) according to occupation should adhere to or be convertible into the latest revision of the International Standard Classification of Occupations (ISCO).

34. Classification of the economically active population, the employed and the unemployed (the latter on the basis of their most recent work experience) according to industry (branch of economic activity) should adhere to or be convertible into the latest revision of the International Standard Industrial Classification of All Economic Activities (ISIC).

35. Classification of the economically active population, the employed and the unemployed (the latter on the basis of their most recent work experience) according to status in employment should adhere to or be convertible into the latest revision of the international classification according to status in employment, except that for classification of unpaid family workers the minimum time criterion (at least one-third of the normal working time) no longer need be applied.

36. Classification of the economically active population, the employed, the unemployed and the population not economically active according to age group should adhere to or be convertible into the following age-group details.

- (a) at lowest level of age detail: less than 15 years; 15-24; 25-44; 45-64; 65 or more;
- (b) at higher level of age detail: less than 15 years; 15-19; 20-24; 25-34; 35-44; 45-54; 55-59; 60-64; 65-69; 70-74; 75-84; 85 or more.

37. For the purpose of classifying persons in employment by part-time or full-time duration (and for identifying persons in [visible] underemployment as well as for other purposes, such as providing estimates of labour input), persons in employment should be classified according to duration of work. For different countries and for different purposes "duration of work" may be measured in terms of hours or days per week, or else days or weeks per year. Where the period is one week, from the point of view of international comparisons, it would be useful if, in addition to whatever categories are used for national analysis, the results could be made convertible into the following categories:

- (a) according to hours of work per week: less than 8; 8-14; 15-34; 35-39; 40-47; 48-56; 57 or more;
- (b) according to days of work per week: less than 2; 2-4; 5 or more.

38. (1) The classification used in presenting statistics of unemployment according to duration of unemployment should permit data to be derived for the following intervals: less than one week; one week or more but less than one month; one month or more but less than three months; three months or more but less than six months; six months or more but less than one year; one year or more.

(2) For the purpose of statistics on duration of unemployment, duration means the period from the commencement of the current unemployment status up to the date of the count.

NATURE OF STATISTICS

Bench-mark statistics

39. (1) A population census should be taken at least every ten years and should provide detailed statistics of the economically active population, the employed and the population not economically active, including data for each sex, classified by:

- (a) age group;
- (b) activity status or functional category;
- (c) occupational group;
- (d) industry (branch of economic activity);
- (e) status in employment;

- (f) duration of work;
- (g) marital status;
- (h) educational attainment;
- (i) place of usual residence;
- (j) duration of residence;
- (k) geographical area.

(2) Where possible, separate aggregate statistics should be provided for the members of the armed forces, distinguishing between the regular and the temporary members.

40. Industrial surveys covering the industrial sector (i.e., establishments engaged primarily in mining, manufacturing and the production and distribution of electricity, gas and water) and, where the sector is significant and measurement is feasible, establishments outside the industrial sector (i.e., farms or retail stores) should be made in every country at least every ten years and should provide basic statistics of persons in paid employment (employees), income from paid employment (wages and salaries of employees) and hours or days worked (by operatives), including data for each sex, classified by:

- (a) industry (branch of economic activity);
- (b) geographical area;
- (c) size of establishment (based on employment);
- (d) type of ownership.

Current statistics

Labour force data

41. Every country should prepare estimates of the total labour force classified by sex and age group at least twice a year, preferably coinciding with the peak and slack seasons. Where feasible, the "paid labour force" and the "not paid labour force" should be distinguished.

Employment data

42. The principal series used to show current changes in employment should yield at least the following information:

(1) Twice a year, the number of employed persons of each sex should be classified by:

- (a) age group;
- (b) occupational group;
- (c) industry (branch of economic activity);
- (d) status in employment.

(2) Separate series should be drawn up twice a year for:

- (a) persons in employment in a specified period who were not at work, classified by cause of absence from work, identifying in particular those absent because of (i) illness or injury; (ii) industrial dispute; (iii) layoff; and (iv) other reasons;
- (b) persons in employment classified according to the number of actual hours worked, distinguishing between persons in paid employment and persons in self-employment.

(3) Where appropriate definitions are developed, statistics should be drawn up periodically on the number of persons in paid employment by nature of employment:

- (a) part-time, full-time;
- (b) permanent, temporary, seasonal (on the basis of duration of contract);
- (c) regular, casual (on the basis of regularity of payments).

(4) For purposes of measuring [visible] underemployment, statistics should be drawn up periodically on:

- (a) persons in paid employment of less than full-time duration, classified by reason for less than full-time work, distinguishing between involuntary economic reasons and other reasons;
- (b) persons in self-employment classified according to current availability for additional work;
- (c) the labour-time disposition of the currently active population: number of days or half-days with work; number of days or half-days without work but available for work; number of days or half-days without work and not available for work.

(5) Where significant and feasible, statistics should be drawn up periodically on multiple jobholders:

- (a) number of persons working (i) at paid jobs with two or more employers; (ii) at one or more paid job(s) and at own individual or household enterprise(s); (iii) at two or more own enterprises;
- (b) number of multiple jobholders of each sex, classified by age group, occupation of main job, industry of main job, status in employment of main job and other job, usual hours of work on main job, other job and all jobs.

Unemployment data

43. The principal series used to show current changes in unemployment should yield at least the following information:

(1) At least twice a year, the number of unemployed persons of each sex should be classified by:

- (a) age group;
- (b) work experience (never worked, worked before);
- (c) occupational group of most recent work experience;
- (d) industry (branch of economic activity) of most recent work experience;
- (e) status in employment of most recent work experience;
- (f) duration of unemployment;
- (g) geographical area;
- (h) nature of employment sought (or available for): paid or self-employment and, if paid employment, whether full-time or part-time and whether permanent, temporary or seasonal.

(2) Separate statistics should be drawn up periodically for persons seeking paid or self-employment by:

- (a) principal method used in seeking employment: registration at public or private labour exchanges, direct application to employers, checking at worksites, factory gates, special assembly places, placing or replying to newspaper advertisements, inquiring with friends or relatives, etc.;
- (b) reason for unemployment: showing separate statistics at least on (i) school leavers; (ii) layoffs; and (iii) others.

(3) Where appropriate definitions are developed, separate statistics should be drawn up periodically for persons available for paid or self-employment by reason not seeking work: belief that suitable paid work was not available, lack of knowledge about where to find paid work, awaiting recall to work, awaiting agriculture season, etc.

Data on population not currently active

44. For purposes of estimating the size and composition of the dependent population and the labour reserve and for providing a better basis for formulating labour market policies and for manpower planning, additional statistics should be drawn up periodically on:

(1) Persons "not currently active" of each sex, classified by:

- (a) "usual activity status": economically active during the major part of the preceding year; economically active during a busy season of the preceding year; not economically active during the major part or a busy season of the preceding year;
- (b) "functional categories": homemakers; students; income recipients; others.

(2) Where the restricted definition of unemployment is adopted, persons not classified as "currently active" should be classified by:

- (a) current availability for work and reason not seeking work;
- (b) most recent work experience: never worked before; worked before - within last 6 months; 6-12 months ago; more than 12 months ago.

Non-current statistics

Data on employment and income

45. Statistics on employment and income should be collected at least every five years by means of specially designed household surveys.

46. Data on employment and income should provide at least the following information:

(1) the average annual income from paid employment and the average annual income from self-employment of person in employment, classified by:

- (a) sex;
- (b) age group;
- (c) duration of work;
- (d) occupational group;
- (e) industry (branch of economic activity);
- (f) educational attainment;

(2) the number of persons in paid employment and the number of persons in self-employment of each sex, classified by:

- (a) age group;
- (b) income from employment;
- (c) duration of work;
- (d) household relationship;
- (e) household income.

Data on particular topics

47. In order to plan more effective measures for easing the transition from learning to earning activities, and to protect working children and youth against undue hardship, specific statistics should be obtained periodically on children and youth in relation to school attendance and their participation in economic activity. For this purpose, it may be necessary to collect additional data on children and youth below the specified minimum age-limit adopted for measuring the economically active population.

48. (1) For the purpose of developing and monitoring programmes concerned with the participation of women in development and the promotion of equality between the sexes, an adequate statistical base on women's participation in economic activities is essential. In this respect, therefore, the statistics of the economically active population, employment, unemployment, underemployment and income from employment should be shown separately for males and females, to the fullest extent possible.

(2) Further, in order to obtain more accurate statistics on women's participation in economic activities, available measurement methods should be controlled for possible bias effects of sex-based stereotypes. Where necessary, specialised small-scale methodological surveys should be carried out in order to identify the extent, nature and sources of the possible biases and to develop appropriate methods of reducing them.

49. Since the participation in economic activity of individuals often depends on the circumstances of other members of the family or household and in many countries, particularly in rural areas of developing countries, economic activity is largely organised on a family or household basis, statistics on unemployment and on employment and income should be supplemented periodically by statistics on families and households; for example, identifying the unemployed in terms of their relationship to other members of the household or family, presence of other working members of the household or family, number of children in the household or family, as well as identifying households and families in terms of number of members unemployed, presence and sex of member who is solely responsible for the support of the household or family, etc.

50. In order to provide improved and more detailed information on employment, unemployment and underemployment and for other purposes such as identifying multiple activities and marginal activities, attempts should be made to collect periodically statistics on time-use, as part of the main survey of the economically active population, possibly on a subsample basis.

51. Given the evidence that informal sector activities have contributed to a steady rise in employment and that the sector's potential for growth has to be taken into account in future economic development and manpower planning policies, it is desirable that countries develop suitable definitions and classifications in order to identify and classify the economically active population in the urban informal sector and the rural non-agriculture activities.

EVALUATION AND DISSEMINATION

52. Like any other set of data, statistics of the economically active population, employment, unemployment, underemployment and income from employment are subject to errors. While the data collection programme should be carefully designed to minimise possible errors, some are bound to occur. A careful interpretation of the results, therefore, requires some knowledge about the quality of the data. An evaluation of data quality is also necessary to improve upon data collection, processing and estimation procedures in subsequent rounds of the programme. The evaluation procedure should, as far as possible, form part of the data collection programme itself.

53. (1) Statistics of the economically active population, employment, unemployment, underemployment and income from employment should be issued promptly and made widely available. The statistics may be issued in stages by means of preliminary reports as soon as the main aggregates are available, followed by one or more final reports giving the revised and detailed statistics.

(2) Where possible, more detailed primary level data should be disseminated by means of public-use computer tapes or other forms of mass storage.

54. Every release of statistics of the economically active population, employment, unemployment, underemployment and income from employment, whether recurring or single-time, should clearly indicate the nature of the data and make reference to any detailed technical descriptions. In particular, descriptions should be given of the scope and coverage, the concepts and definitions, the method of data collection, the sample size and design where sampling is used, the methods of estimation and adjustments, including seasonal adjustments where applied, measures of data quality, including sampling and non-sampling errors where possible, as well as descriptions of changes in historical series, deviations from international standards and relationships with other sources of similar data and related bodies of statistics.

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