

Overview of labour statistics and indicator frameworks: Concepts, Definitions and Implementation

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Resolution concerning statistics of Work, Employment & Labour underutilization

- Adopted by 19th ICLS in October 2013
- Sets new framework for work and labour market statistics
- Updates previous standards on economically active population from 1982 (*Statistics of the economically active population, employment, unemployment and underemployment (13th ICLS, 1982)*)
- Developed through wide consultation (2008-2013)
- Builds on accumulated good practices
- The reference framework for next decades

Why update the previous standards?

- Requested by countries through 18th ICLS & UN Statistics Commission (39th session), 2008
- Responds to **limitations of unemployment** statistics
- Provides broader measures of **labour underutilization**
 - Beyond unemployment
- Recognizes **all work, paid and unpaid**
 - Addresses gender bias in work statistics
- Facilitates **integration** of labour statistics with other topics
- Responds to **emerging** social and economic information **needs**
 - labour market dynamics, job creation, household livelihoods, well-being, *beyond GDP indicators, etc.*

Scope of new resolution on statistics of Work, employment & labour underutilization

Concepts & definitions

Indicators highlighted

Scope of new standards (I)

Concepts, definitions

- **1st international statistical definition of “work”**
 - Recognizes ALL productive activities, paid and unpaid, as work
- **Forms of Work framework**
 - Employment definition refined as “work for pay or profit”
 - Other forms of work (unpaid) recognized for separate measurement:
Own-use production work, Volunteer work, Unpaid trainee work
- **Measures of labour underutilization beyond unemployment**
 - Focus on insufficient quantity of work for pay/profit
 - To capture broader groups with unmet need for employment

Scope of new standards (II)

Indicators highlighted

- **Labour underutilization (LU1-LU4)**
 - As headline measures with unemployment
- **Informality, job search among employed, inadequate employment due to skills, income, ...**
 - For wider labour market monitoring
- **% Subsistence foodstuff producers**
 - To monitor extent, trends & highlight for policy
 - To assess issues with labour market integration
- **Low pay, working poor**
 - To assess links between employment & poverty
- **Headline measures for other forms of work**
 - Participation and volume (time worked)

Main concepts & framework

Work as economic production

Forms of work

Work

1st international statistical definition (I)

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

Para 6, Resol I. (19th ICLS, 2013)

Concept for reference purposes (not direct measurement!)

Recognizes all productive activities as work

Note: WORK ≠ Employment

Forms of work framework (I)

- **A classification of productive activities (not people!)**
- **Distinguishes different “types” of work** (i.e. productive activities)
 - Main **intended destination** of production (own final use / use by others)
 - Type of **transaction** (for remuneration / without remuneration)
- **Enables their separate measurement in full**
- **Supports more targeted monitoring to inform policymaking**
- **Permits coherence with national accounts**
 - National production & satellite accounts

Work

(i.e. ALL activities to produce goods and services)

For own final use
(by households)

For use by others (i.e. other units)

For remuneration (i.e. for pay or profit)

Without remuneration

Own-use
production
work

Employment
(work for pay or profit)

Unpaid
trainee
work

Other work
activities
(e.g. unpaid
compulsory
work)

Volunteer
work

Services

Goods

Services

Goods

S

G

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SNA labour input

Forms of work (III): Basic concepts

- **Own-use production work**
 - Activities to produce goods & services **mainly for own final use by household**
- **Employment work**
 - Activities to produce goods & services [for others in exchange] **for pay or profit, in cash or in kind**
- **Unpaid trainee work**
 - Activities to produce goods & services for others performed **without pay in order to acquire workplace experience or skills**
- **Volunteer work**
 - **Non-compulsory** activities performed **without pay** to produce goods and services **for others**
- **Other work activities**
 - E.g., **Compulsory** activities performed **without pay** to produce goods & services **for others**

Work "for pay or profit"

What does this mean?



- **Remuneration in cash or in kind**
 - Salary or wages for time worked or work done
 - Profits derived from goods and services produced through market transactions

- **Payable (whether already received or not)**
 - Deals with different pay periods, wages due, etc.

- **Directly to the person who performed the work or indirectly to a member of their household or family**
 - Including family workers collaborating in the family business (contributing family workers)
 - Their work contributes to family income

Differences between 13th and 19th ICLS – Employment

Changes

- Narrower definition of employment
- In theory lower number of people employed and higher number of people unemployed
- In reality will depend on existing practices

The same

- Employment still the reference concept for the labour force

Changes in terminology

- **Labour force = Employed + Unemployed**
(for pay / profit) (without employment + seeking + available)
 - No longer “~~economically / currently active population~~”
- **Outside labour force**
 - No longer “~~economically inactive population~~”
 - No longer includes population below minimum age

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

1. Multiple activities of Persons



2. Household allocation of labour, contribution to livelihoods



3. Assessment of labour market participation & integration by persons in forms of work other than employment

ILO pilot study project: Objectives and scope

- **To develop model question sequences and guidance for LFS**
 - Aligned with 19th ICLS standards
 - Based on existing good practices AND new evidence

- **Scope focuses on measurement of**
 1. **Employment** (as work for pay or profit)
 2. **Measures of Labour Underutilization**
 3. **Persons in own-use production work (and working time)**
 - Of goods (including in agriculture, fishing, hunting and gathering)
 - Of Services (in particular housework, adult dependent care, childcare)

- **Not designed to measure impact on indicators**

Pilot Countries & Partners, 2015-2018

Pilot countries (10)

■ Africa

- Cameroon
- Cote d'Ivoire
- Namibia
- Tunisia

■ Americas

- Ecuador
- Peru

■ Asia

- Philippines
- Vietnam

■ Eastern Europe & Central Asia

- Kyrgyz Republic
- Moldova



Funding partners

- ILO
- UN foundation

Outputs

Pilot study protocol

- Technical documents (cognitive protocols, survey questionnaires, interviewer instructions)

Final reports of pilot studies

- Qualitative & Quantitative (Cross-country, by topic)

LFS practical guidelines

- Manuals, practical LFS tool kit

Training course and training materials

- LFS Academy (ITC-Turin, Italy) + other short courses

Model Questionnaires: 5 developed & tested

M1

- Work in agriculture starting approach
- For settings with widespread agriculture

M2

- Main activity approach
- Common in population censuses

M3

- Worked for pay or profit approach
- Traditional in LFS

M4

- Employment type approach
- Common in Southern Africa & Asia

M5

- Has job / business approach
- Suggested in Europe to address problems with absence q.

Model questionnaires: Similarities and differences

Similarities

- Cover the same topics
 - Employment
 - Unemployment
 - Underemployment
 - Potential labour force
 - Own use production work
 - Goods
 - Services
 - Self-perceived Main activity

Differences

- Order of modules / questions
- Mode of implementation (self reporting v read out lists)
- Measurement approach
 - Employment
 - Boundary between employment and own use production of goods
 - Potential labour force (need / desire)
- Level of detail
- Reference periods

Implementation of 19th ICLS in Africa since 2016

- Benin
- Burkina Faso
- Botswana
- Cabo Verde
- Cameroon
- Chad
- Comoros
- Congo
- Cote d'Ivoire
- Gambia
- Guinea
- Guinea Bissau
- Liberia
- Madagascar
- Mali
- Namibia
- Niger
- Rwanda
- Senegal
- Sierra Leone
- South Africa
- Tanzania
- Tunisia
- Uganda
- Zambia
- Zimbabwe
- Etc.

LFS Resources

- National labour force surveys are the main source behind essential headline indicators of the labour market and the world of work. A wide range of economic and social policies, from monetary and fiscal policies to employment, decent work, vocational education and training, and a wide range of poverty reduction and social inclusion policies depend on labour force surveys as their main source of statistics for informed decision-making and monitoring.
- To support countries in developing their national LFS, the ILO Department of Statistics maintains a set of model LFS resources to support PAPI and CAPI data collection. The ILO model LFS resources consolidate existing good survey practice and new approaches following evidence from ILO's [LFS testing programme](#) to support the collection of work and labour market data, aligned with the [latest international standards](#).
- <https://ilostat.ilo.org/resources/lfs-resources/>

Questions?

Thank you for your attention



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NIGERIA LABOUR FORCE SURVEY (NLFS) 2022/23

**Learning from Other Countries to Improve Nigeria's Labour
Market Statistics**

April 2023

Labour market statistics are essential

Labour is often the **main asset** that people have in developing countries; it is the main determinant of income and hence whether people will **live in poverty**

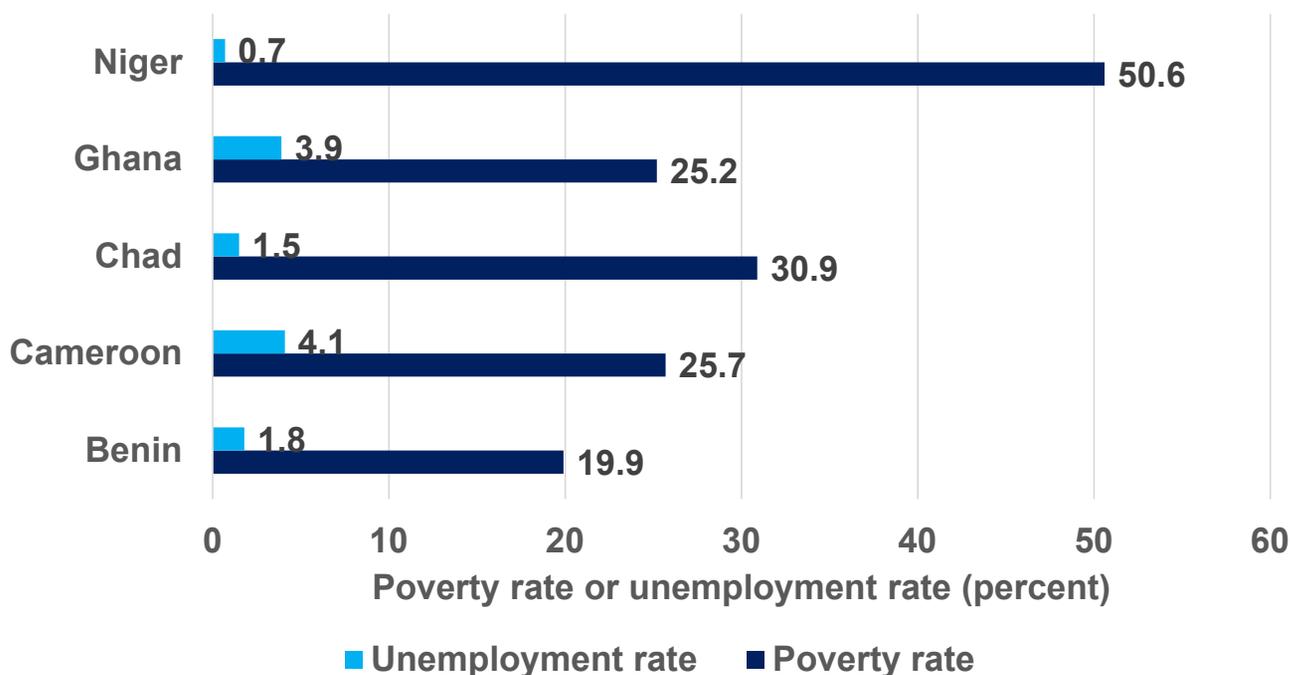
It is therefore crucial **for policymakers** to know whether people work, how much they work, and – most importantly of all – what types of jobs they do

Labour market statistics are seen internationally as a key pillar of countries' broader statistical systems: they form part of the International Monetary Fund's **Special Data Dissemination Standards (SDDS)**

However, every country is different and producing regular and reliable labour market statistics can be one of the **most difficult** components of meeting SDDS

Cross-country data imply that there is more to labour market statistics than unemployment

When measured according to the ILO standards, **unemployment is often low even when the poverty rate is high among Nigeria's neighbours**



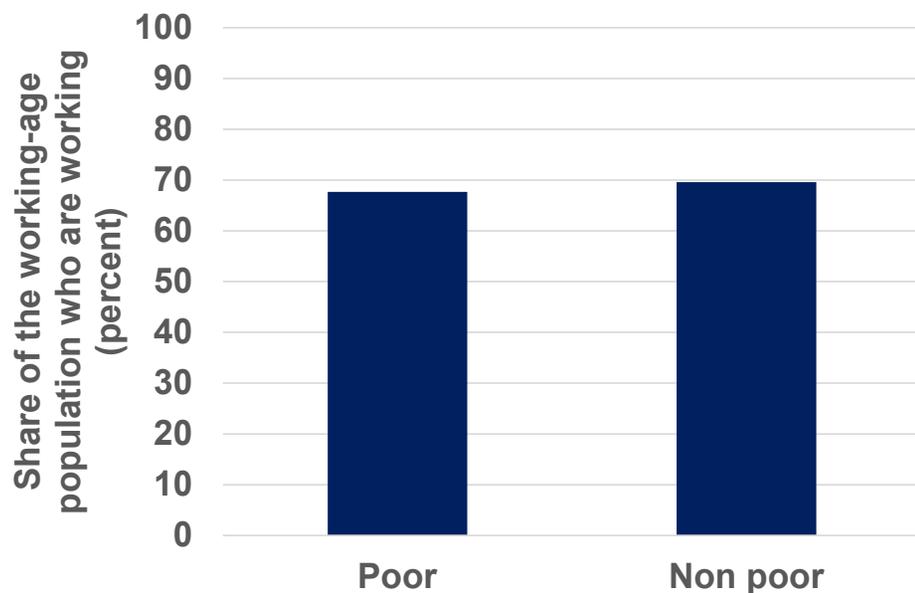
These patterns are common when **wage jobs are scarce, incomes are low, and social protection is limited...**

...just like in **Nigeria...**

Note: Poverty rate calculated using the latest available data and the 2.15 USD 2017 PPP per person per day international poverty line. Unemployment rates shown are the ILO Modelled estimates. Source: Poverty and Inequality Platform, ILOSTAT, and World Bank estimates.

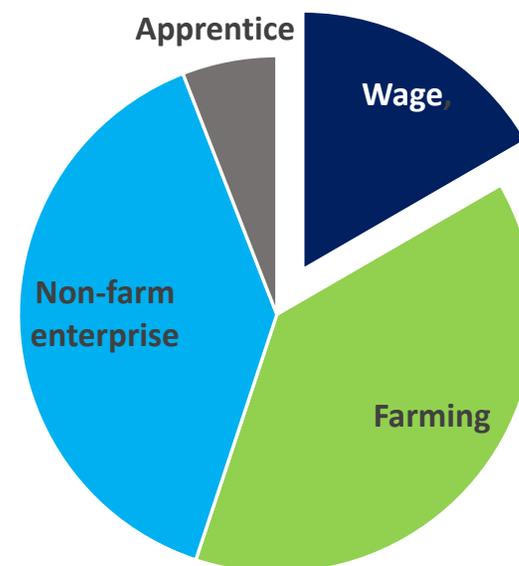
What do other surveys tell us about the specifics of Nigeria's labour market?

Data from the **2018/19 NLSS** suggest that working on its own **does not offer a clear pathway out of poverty**



Note: Sample restricted to those of working age. In the 2018/19 NLSS, the unemployed are those who did not work in the past seven days, but who had taken action to find a paid job or start a business for pay or profit in the past four weeks. Source 2018/19 NLSS and World Bank estimates.

Informality is common and the **wage jobs** most able to lift people out of poverty are **rare**



Note: Sample restricted to working people of working age. Primary job refers to the job that the individual spent the most time doing the previous seven days. Source: 2018/19 NLSS and World Bank estimates.

This underlines the need for Nigeria to collect frequent and reliable labour market data on a wide range of indicators...

...which can only come from investing in the labour force survey using international best practices

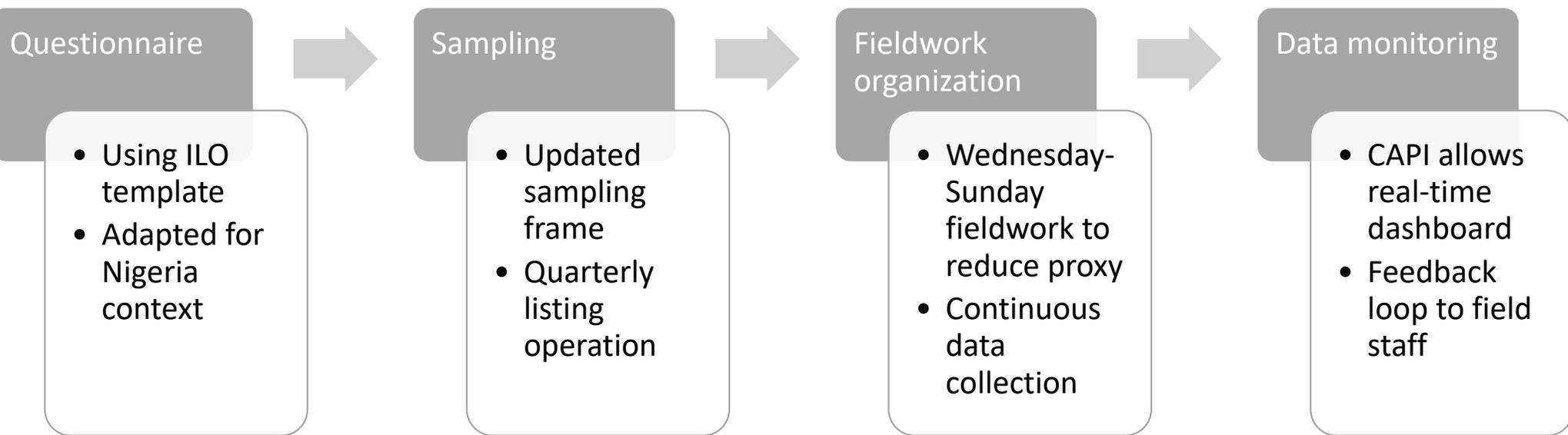
NBS has invested to improve labour market statistics and match international standards

Even though collecting high-quality labour market data is among the most difficult tasks that statistical offices around the world face, **NBS has risen to the challenge**

This includes taking the time to improve: (1) the questionnaire; (2) sampling; (3) the organization of the fieldwork, allowing for a continuous approach; and (4) monitoring of data quality

While this has **taken time** and means that **comparisons with previous labour market data in Nigeria will not be possible**, this places Nigeria's labour market statistics on more **sustainable** footing going forward

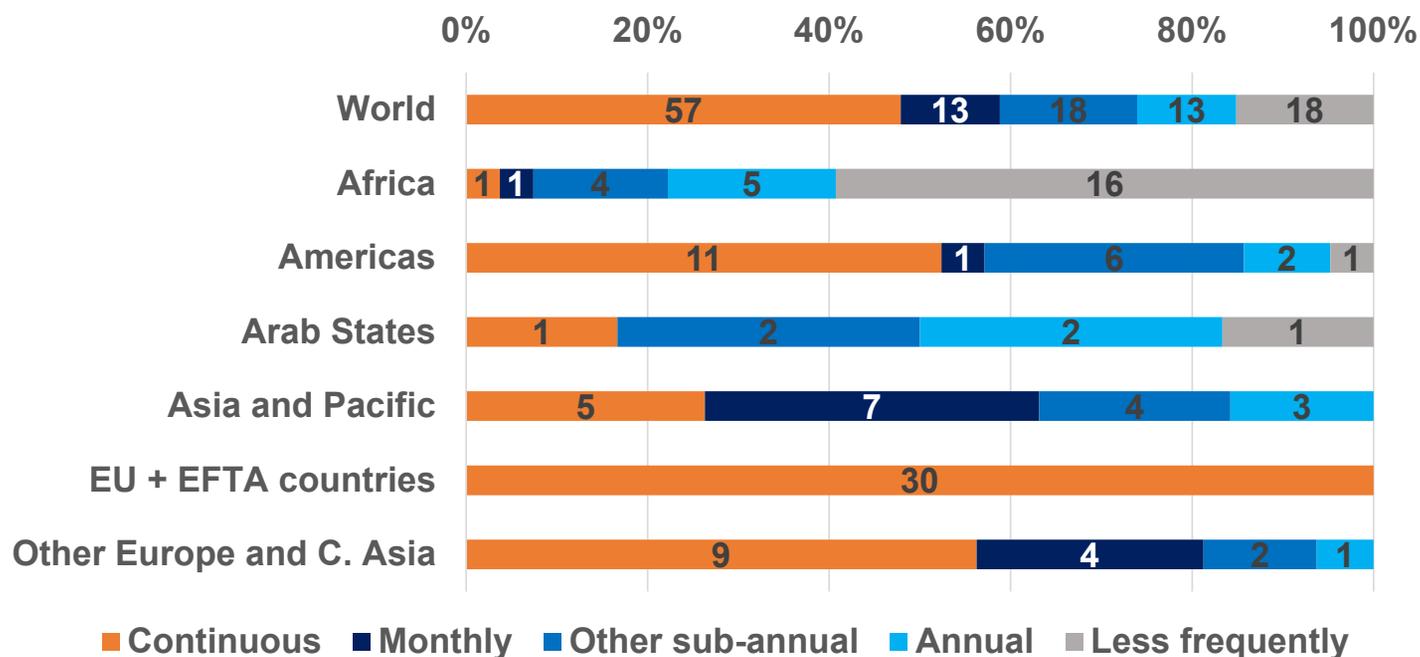
How has NBS improved the NLFS methodology to meet international standards?



The new approach places Nigeria at the frontier of global labour market statistics

For example, collecting and releasing labour market data **continuously** has typically been the **standard set by developed countries**

Periodicity of National Labour Force Surveys in 2018



This builds on efforts to bring the questionnaire and other aspects of the methodology in line with ILO standards

Note: Data labels refer to the number of countries. Bar sizes capture percentages. Not all countries in each region are covered. Source: International Labour Organisation (ILO) review of national plans to implement the 19th International Conference of Labour Statisticians (ICLS) standards in labour force surveys (July-August 2018).

Investments in the NLFS are part of a broader effort to improve Nigeria's statistical system

Alongside the substantial work on the NLFS, NBS has also been working in recent years on improving surveys on **living standards** (Nigerian Living Standards Survey), **agriculture** (National Agricultural Sample Census), and **firms** (National Business Sample Census)

NBS and the World Bank have collaborated on supporting these efforts through the Fiscal Governance and Institutions Project (FGIP)

Ensuring these efforts to improve the statistical system **can be sustained** represents a key priority for the future



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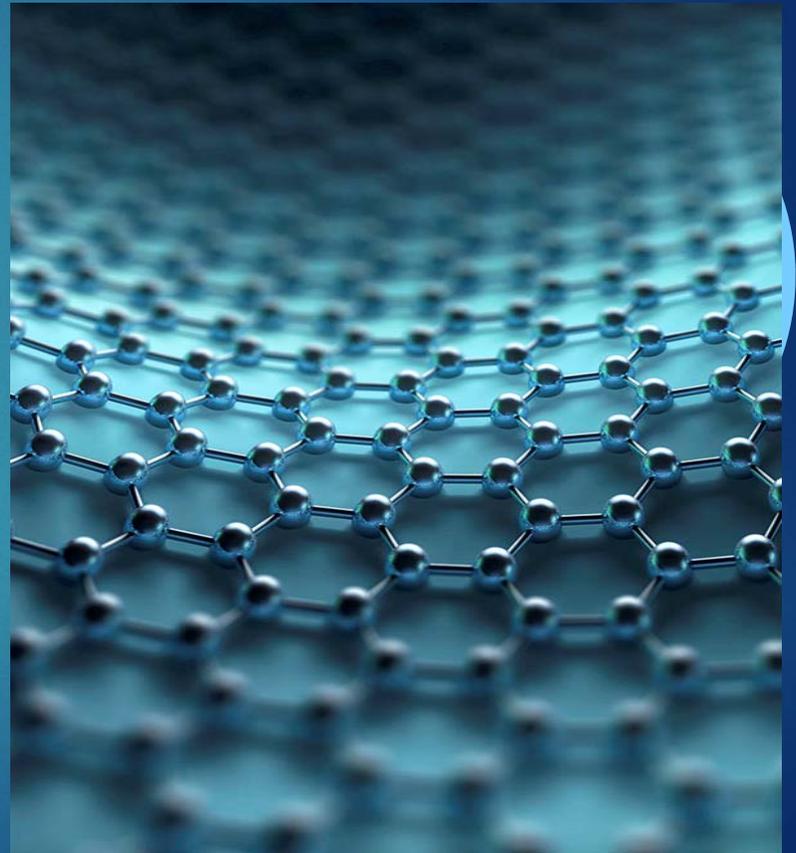
NIGERIA LABOUR FORCE SURVEY (NLFS) 2022/23

**Learning from Other Countries to Improve Nigeria's Labour
Market Statistics**

April 2023

Re-design of Nigerian Labour Force Survey

National Bureau of Statistics – Abuja, Nigeria



Outline

 Background

 LFS Framework

 Justification

 Old Methodology

 New Methodology

 Working with figures

 Conclusion



Background

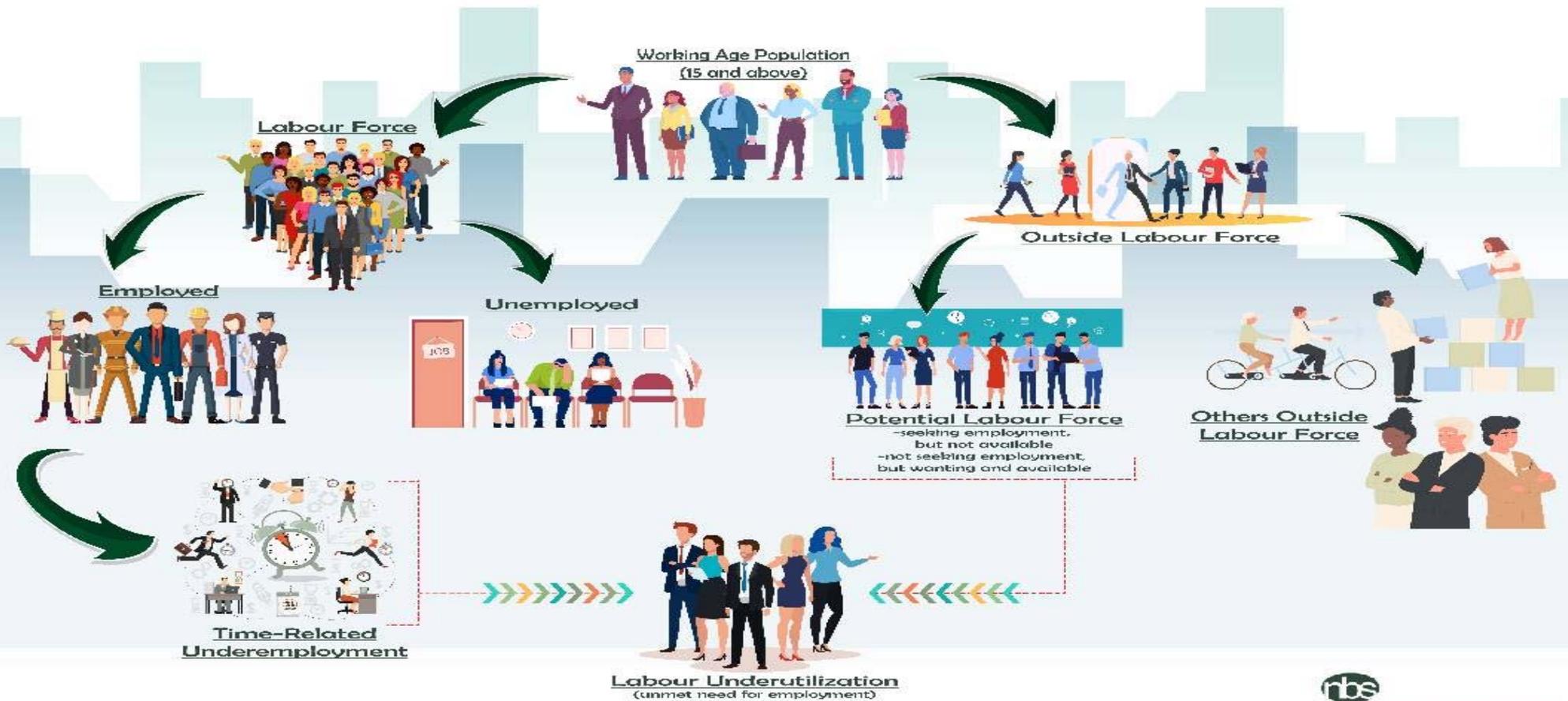
- ▶ The Labour Force Survey is one of the routine surveys conducted by the National Bureau of Statistics, which produces the headline unemployment rate and other labour market indicators
- ▶ This household based survey, till date, was conducted on a quarterly basis, with a national sample of 33,300 households across the 36 States and the FCT
- ▶ The survey data collection, which used to last between 15 to 21 days, is typically conducted in the middle of each reference quarter
- ▶ LFS are designed with the objective to produce official national statistics on the labour force, employment and unemployment for monitoring and planning purposes

Background

- ▶ The unemployment rate is the main indicator emanating from the NLFS. It is also one of the most-anticipated and most-relatable indicator among the populace
- ▶ The last LFS report to be published was for the reference period of quarter 4 of 2020, immediately after the easing of the Covid-19 lockdown, which produced a headline rate of 33.3%
- ▶ However, the conduct of the survey has been somewhat irregular due to technical challenges
- ▶ Following this publication, NBS working with the World Bank, commissioned a process of re-evaluating the conduct of the survey and the methodology for computing the indicators

Labour Force Statistics Framework

Labour Force Statistics Framework



Justification

- ▶ The aim of this re-evaluation was two-pronged:
 - ❖ to ensure that the design and methodology is in line with international best practice and locally relevant.
 - ❖ to ensure that the data production process is robust enough to produce estimates on a sustainable basis (avoiding periodic gaps), and also, produce more labour market indicators and analysis.
- ▶ All in a bid to adequately inform government about the employment and job situation in Nigeria.



Justification



Address concerns of quality



Addresses questions on seasonality



Reduce proxy responses



Eliminates gaps in the series going forward



Unmet needs for employment beyond Unemployment



Old Methodology

- Survey was conducted Quarterly (Start to finish).
- Sample of 33,300 nationwide.
- **Old Questionnaire** – Produce Less Labour Market Indicators
- **Subsistence Agriculture** – Not reported under the old method.
- **Temporary absentees** from employment work was not captured
- **No clear distinction between statistics of work and employment**
- **Unemployment and employment** – Not mutually exclusive
- **The concept of unemployment**, while useful, was insufficient as a single measure to capture the level of unmet need for employment in a country.

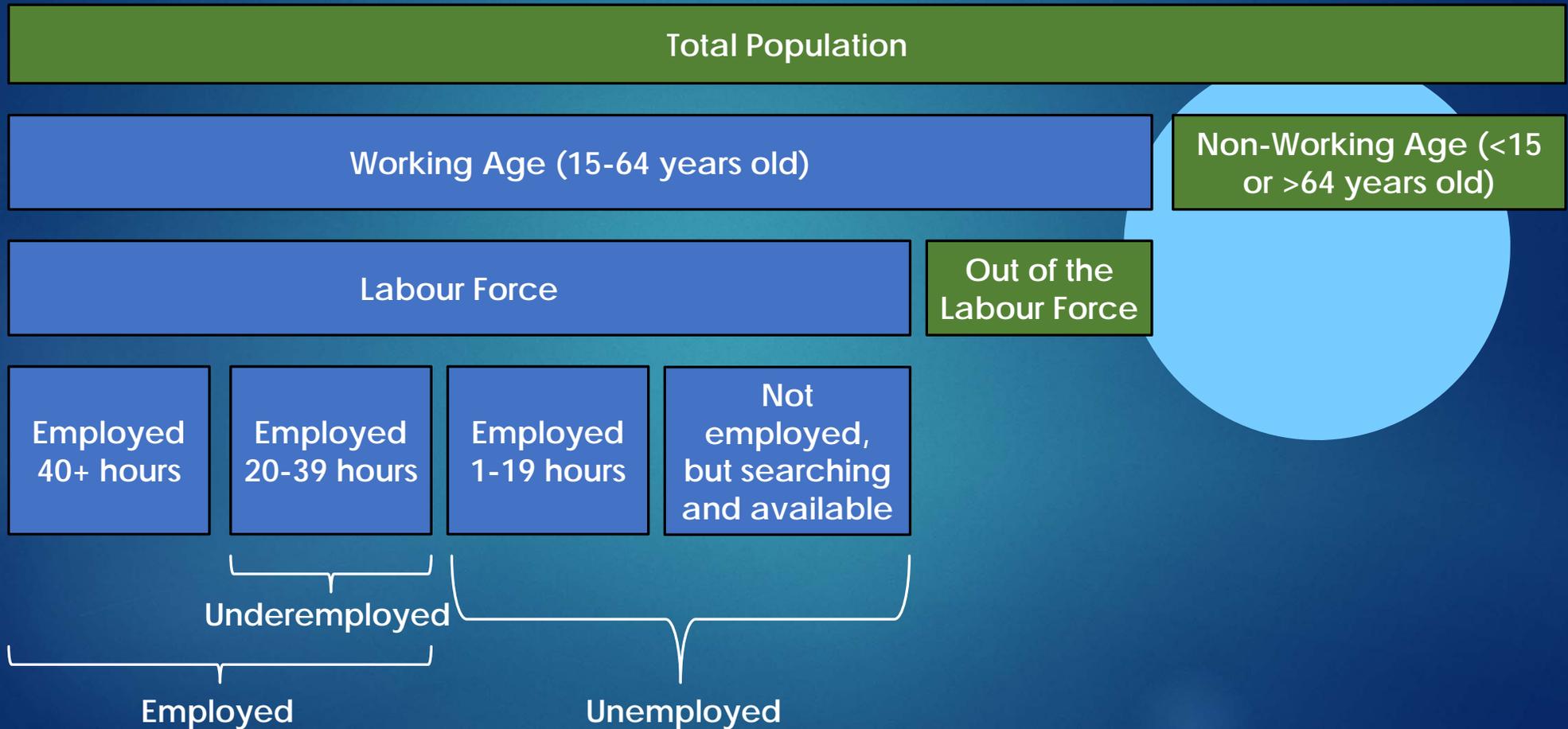


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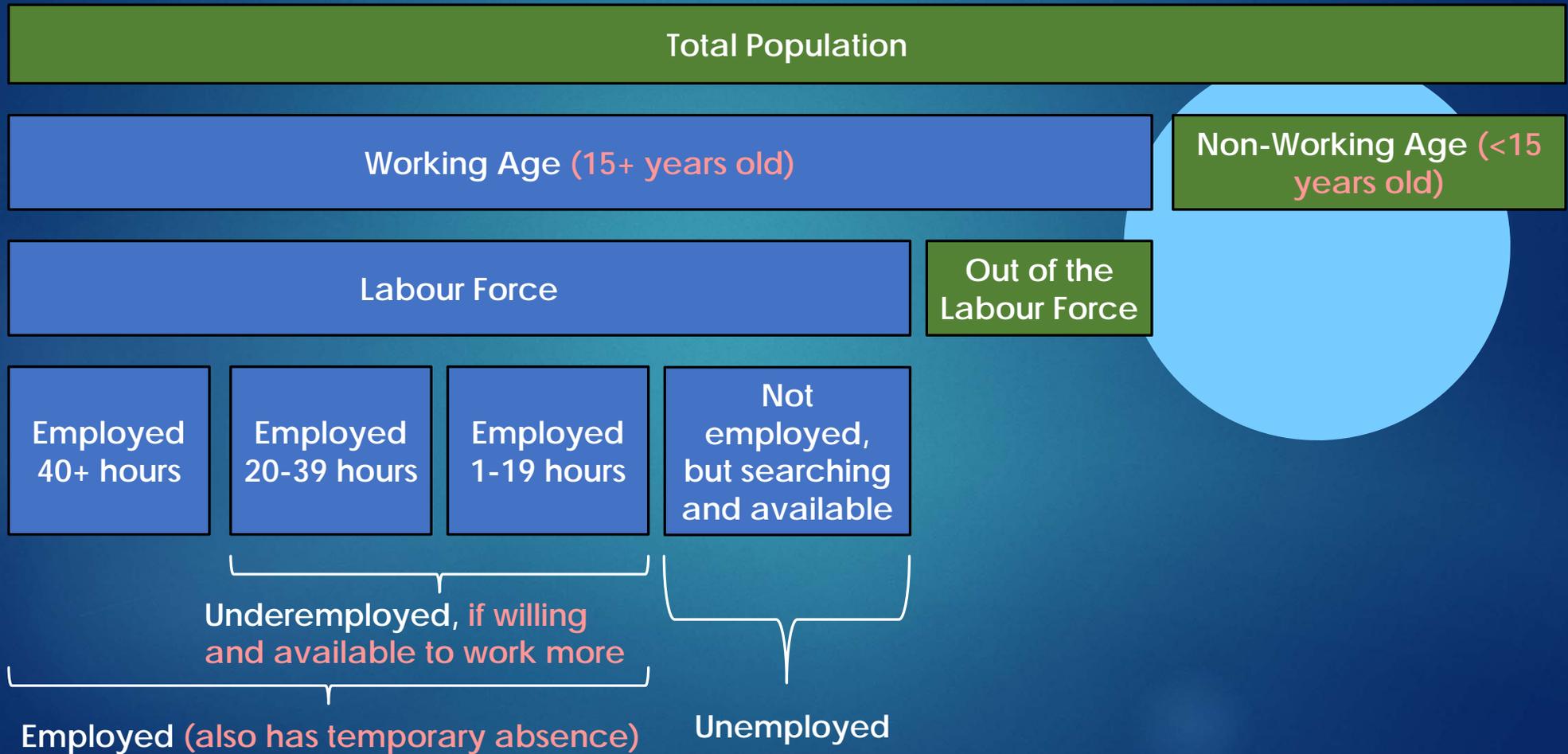
Labor Force Statistics: Unemployment and Underemployment Report

(Q4 2020)

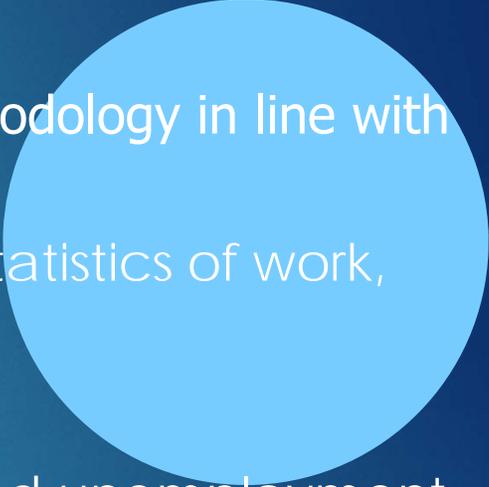
Old LFS Framework in Nigeria



New LFS Framework in Nigeria



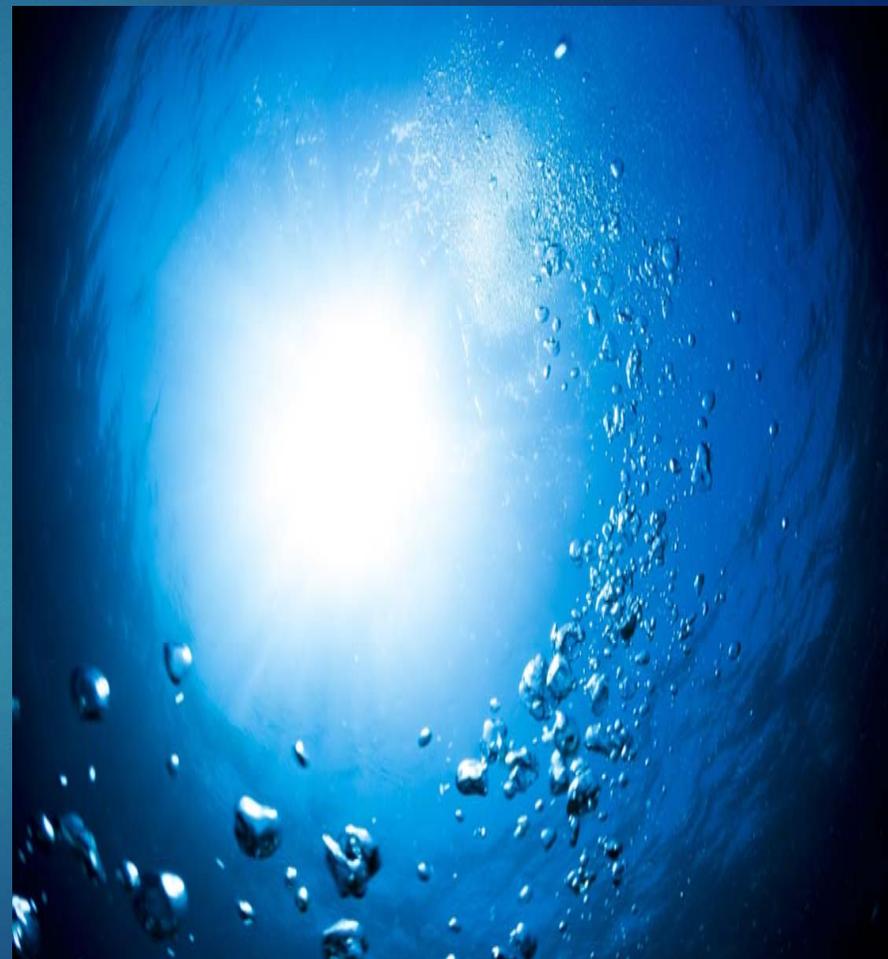
New Methodology



- ▶ NBS has significantly enhanced the methodology it uses to collect labour market data through the NLFS.
- ▶ Collaboration with the World Bank to bring the NLFS methodology in line with best international practice. This includes:
 - ▶ The adoption of the 19th ICLS “Resolution concerning statistics of work, employment and labour underutilization”
 - ▶ Provide measures of labour underutilization, beyond unemployment
 - ▶ Recognize and provide framework for measurement of all work, paid and unpaid

New Methodology

- Quarterly Listing to avoid attrition of households.
- Continuous data collection throughout the year.
- Enhanced Sample of 35,520 nationwide using newly demarcated EAs spread across 12 months.
- **Adoption of ILO Model Questionnaire**
- Unemployment among persons engaged in **“Own-use production work”**
- **Enhanced Quality Mechanism** – streamlined workforce, remote monitoring by Data Assistants, no proxy responses, use of technology.



One-hour criterion for measurement of employment

Reasons:

- Inclusion of all employment in accordance with priority rules of labour force framework
 - Ensures that employment, unemployment, inactivity are mutually exclusive and exhaustive categories
 - Covers all types of employment including short-time work, casual work, stand-by work, & other irregular employment
- Coherence between national accounts and employment statistics: ensure that aggregate level total labour input corresponds to total production
- Definition of unemployment as a situation of total lack of work (zero hours of work during reference period)
 - Other definition of unemployment not accepted at the international level
 - Definition of time-related underemployment (= partial lack of work) as a sub-category of employment

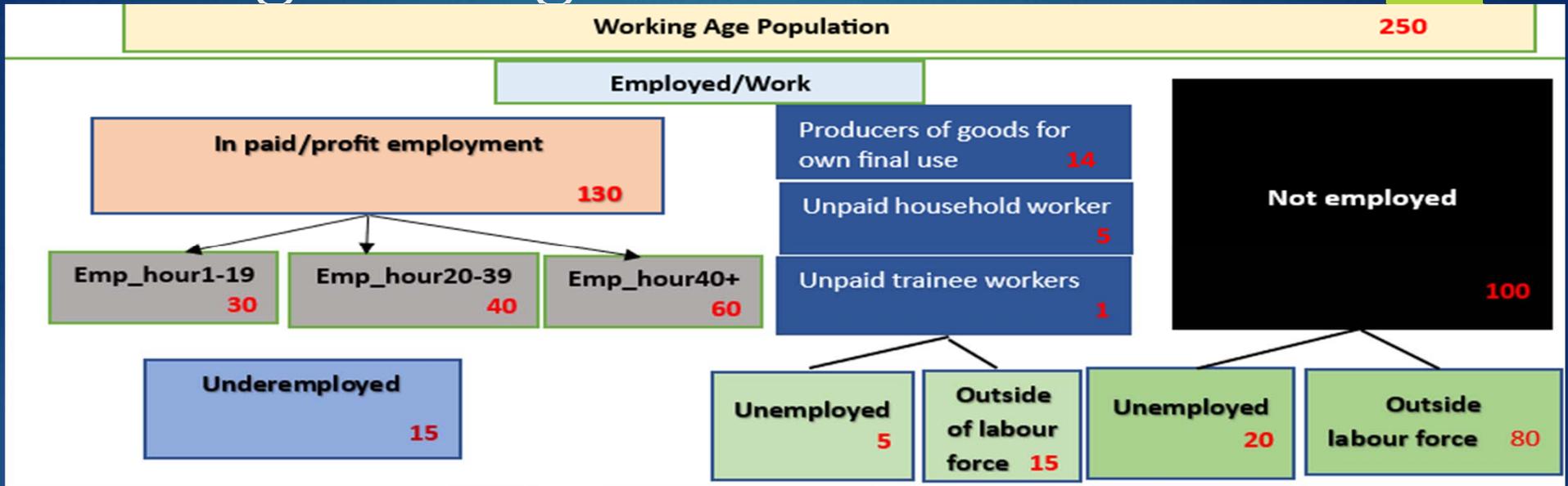
Active search to find a paid job or to start a business

- To identify people who were actively searching for employment in the reference period (4 weeks).
- Any activity to seek a paid job should be recorded, even if the amount of activity was low or if the job sought was a casual job for only few hours a week.
- Any activity to try to start a business should be recorded, even if the amount of activity was low. Typical activities to start a business would include applying for loans, looking for land, buildings or equipment or applying for a license to start a business.
- This refers to the activities which take place up to the point where the business is operational and ready to take customers or produce goods or services.

Old vs New Standards

Item	Old Methodology	New Methodology
Periodicity	Cross sectional	Continuous – throughout the year.
Sample Size	33,300 Households Quarterly	35,520 Households spread across 12 months
Data Collection	15 – 21 Days	Weekly (from Wednesday to Sunday)
Employment in Agriculture	Recorded as employed if hourly threshold met	A distinction is made between commercial and subsistence
Unemployed	Worked below 20 hours or did not work but searching and available in the reference week	Not in employment, actively searching and available
Under-employed	Worked between 20 and 39 hours	Worked between 1 and 39 hours WILLING AND AVAILABLE FOR MORE WORK
Reporting and Disaggregation	Quarterly with State-level disaggregation	Quarterly reporting with national disaggregation, then full year with State-level disaggregation

Working with figures



Indicators	Nigeria (2015)		13th ICLS (1982)		New 19th ICLS (2013)	
	Number	%	Number	%	Number	%
Employed	120	48.0	150	60.0	130	52.0
Unemployed	50	29.4	20	11.8	25	16.1
Underemployed	40	33.3	15	10.0	15	11.5
Labour force	170	68.0	170	68.0	155	62.0
Outside labour force	80	32.0	80	32.0	95	38.0

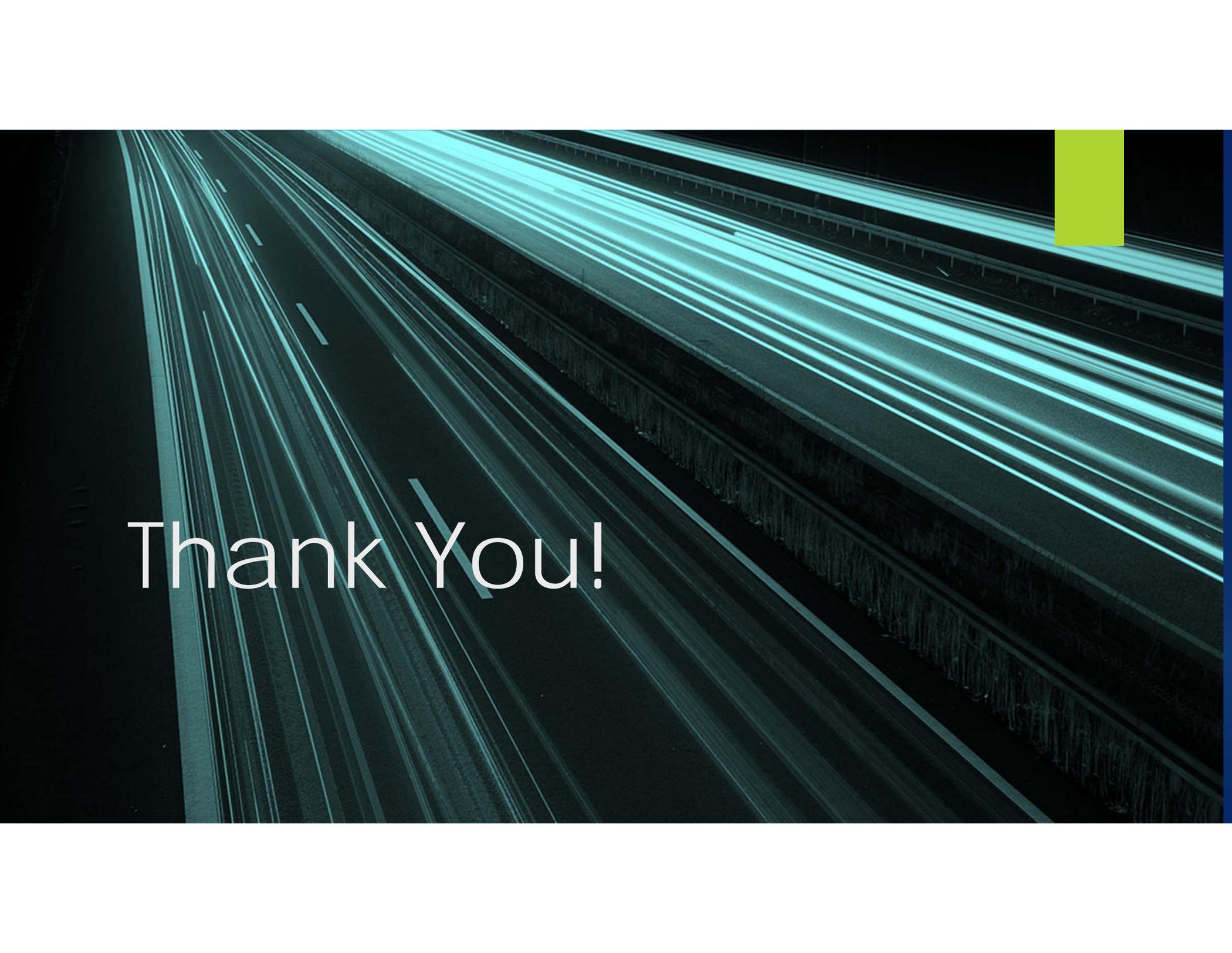
Status of the NLFS

- ▶ Data collection for the 2022/2023 is ongoing
- ▶ Beginning from 19th October 2022
- ▶ Q4 report will cover data collected between 19th October 2022 and 22nd January 2023
- ▶ The report for the reference quarter is almost concluded and will be published before end of May 2023



Conclusion

- ▶ NBS, working with the World Bank has significantly improved the methodology and design for the conduct of the NLFS in Nigeria.
- ▶ The new methodology would tell an unbiased story of the Nigerian Labour Market Statistics as it should be told
- ▶ The use of 1 hour criterion for employment would ensure unemployment is regarded as total lack of employment
- ▶ More attention towards assessment of quality of employment



Thank You!