A proposal for Employment Indicators

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Primary objectives of the paper

- Propose a set of indicators to:
  - Provide deeper understanding of the quantity and quality of employment
  - Complement traditional indicators (that generally focus on the quantity of employment)

- Identify questions from existing surveys that can be used to derive these indicators
Traditional indicators

- Largely more relevant for the developed than developing economies
  - Where agricultural and/or informal sector activities are highly prevalent
  - Low levels of wage employment
- More emphasis on quantity
  - Levels on employment and unemployment
  - Characteristics of the jobs
- Not so advanced on the quality “what type of jobs” and therefore how adequate the jobs are relative to the individual or household needs
Types of surveys drawn from

- Labour force surveys
- Living Standards Measurement Surveys (LSMS)
- Demographic and Health Surveys (DHS)
- Multiple Indicators Cluster Survey (MICS)
- Child Labour Surveys, etc.
Existing efforts to assess quality of employment

- Many of the proposed indicators and survey questions are already in use, except that
  - They are not asked consistently across surveys
    - Labour force surveys (LFS) have more detailed questions about the labour force
    - Living standards and other surveys cover subsets of the relevant questions
  - Ideally, some details on household standards of living and characteristics are needed in combination with the quantity and quality questions from LFS
Basic requirements

- Relate labour market conditions to household outcomes
  - Consumption
  - Health
  - Education
  - Dwelling
  - Wellbeing (other characteristics)
Principles in the selection of indicators/questions

- A small set
- Already tested
- Complements traditional set
Focus on quality of employment

- Protection:
  - Informality of employment

- Income:
  - Income/earnings from employment

- Safety:
  - Occupational hazards (accidents, illnesses, workplace exposures)

- Time:
  - Under/over employed (with respect to hours worked)
  - Multiple activities

- Quantity:
  - Discouraged unemployed
(1) Informal employment

- Two elements
  - Employment in an informal establishment/unit
  - Size of the establishment (unit)
  - Registration of the establishment
  - Nature of the job
    - Whether temporary or permanent
    - Whether covered by contract
    - Entitlements, such as retirement pension, paid holidays, paid sick leave, subsidized health care, maternity leave,
(2) Income from employment

- Major concern is whether people who work earn enough to get them out of poverty

- Two questions proposed
  - Profit earned in a good month
  - Total value of equipment/stock

- Income and earnings most difficult to measure (for both employees and self-employed).
(3) Occupational safety and health

- Incidence/prevalence of accidental injury on the job
- Illness from the job
- Workplace exposures (health related environmental issues)
(4) Time-related underemployment and multiple jobs

- Reason for working less than 40 hours in the week
- Desire to work more
- Desire to work less than 45 hours a week
- Doing other jobs besides “main occupation” in the past 12 months.
(5) Discouraged unemployment

- Main reason why individual did not look for work within the specified period
Main highlights

- The paper focuses on the quality dimension of employment, which has direct implications for addressing poverty.
- Draws questions from existing national surveys (with few exceptions).
- The proposal is for these set of questions to be adopted in national surveys (that have basic household characteristics and living standards questions).
- How can this goal be achieved?