

Overview of the ILO's Framework for Measuring Decent Work

Malte Luebker, Chief Technical Advisor, MAP Project
Tite Habiyakare, Specialist on Labour Statistics, SRO Addis Ababa

Special Session of the Advisory Committee for the
Zambia Decent Work Country Programme
Siavonga, 25 and 26 January 2010



Decent work as the ILO's main objective

- ILO Declaration on Social Justice for a Fair Globalization (2008) endorses Decent Work Agenda as main objective of the ILO's work.
 - Strategic objectives: (i) and fundamental principles and rights at work, (ii) promoting employment; (iii) social protection; (iv) social dialogue and tripartism.
- Recommends that ILO Members may consider:
 - “the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate the progress made”



Implications for measurement

- ILO has worked on measurement of decent work since ca. 2000, both in HQ and field.
- What does the Decent Work Agenda imply for measurement of decent work?
 - Coverage of all elements of the Decent Work Agenda (beyond employment).
 - Coverage of all workers.
 - Concern for the most vulnerable workers.
 - Cross-cutting concern for gender.
 - Importance of social & economic context.



Governing Body Discussions

- Governing Body discussions have set the basic principles for measurement of decent work:
 - Purpose is (i) to assist constituents to assess progress towards decent work and (ii) to offer comparable information for analysis and policy development.
 - NO ranking of countries & NO composite index.
 - Needs to cover all dimensions of Decent Work, i.e. go beyond employment and include rights, social protection and social dialogue.
- Measurement to draw on existing statistics.



Tripartite Meeting of Experts on the Measurement of Decent Work

- GB mandate for TME to provide guidance on options for measuring decent work:
 - Held in September 2008 with participation of 20 experts plus observers (from Argentina, Australia, Austria, Brazil, Canada ... and Zambia).
 - Reviews list of **statistical indicators**.
 - Stresses importance of rights and recommends to provide **systematic information on rights at work and the legal framework for decent work** in a manner consistent with ILO supervisory system.



Measuring decent work: Rights at work

- Rights at work and the legal framework for decent work need to be fully reflected:
 - Number of ratifications & complaints is inadequate proxy for actual application of labour standards.
- Two proposals:
 - Textual description of legal framework and data on actual application for all substantive elements of decent work (L).
 - Construction of indicators for countries' compliance with Fundamental Principles and Rights at Work, starting with FoA and CB.



Measuring decent work: Gender

- Gender as a cross-cutting concern of the Decent Work Agenda:
 - Should not be treated in isolation, but measurement should inform about women's and men's access to decent work across all substantive elements.
 - Therefore, wherever possible, indicators should be reported separately for men and women in addition to the total.
 - In addition, indicators for vertical and horizontal segregation are included under 'Equal opportunity and treatment in employment'.



Different types of indicators

- A layered approach to indicators:
 - Main indicators (M): parsimonious core set of indicators to monitor progress towards decent work.
 - Additional indicators (A): to be used where appropriate, and where data are available.
 - Context indicators (C): provide information on the economic and social context for decent work.
 - Future indicators (F): currently not feasible, but to be included as data become more widely available.
 - Information included under legal framework (L).



Decent Work Indicators and MDG indicators

- **Overlap with MDG indicators:**
 - Employment-to-population ratio (M)
 - Own-account and contributing family workers as % of total employment (A)
 - Working poverty rate (US\$1 a day) (M)
 - Labour productivity growth rate (C)
- **MDG indicators and DWI are complementary.**
 - DWI can complement MDG indicators for monitoring progress on decent work and implementation of Decent Work Country Programmes at the national level.



Grouping of indicators under substantive elements of decent work

- Grouping of indicators under substantive elements of the Decent Work Agenda:
 - Employment opportunities (1 + 2)
 - Adequate earnings and productive work (1 + 3)
 - Decent hours (1 + 3)
 - Combining work, family and personal life (1 + 3)
 - Work that should be abolished (1 + 3)
 - Stability and security of work (1, 2 + 3)

Note: (1) Rights (2) Employment (3) Social Security (4) Social Dialogue



Grouping of indicators under substantive elements of decent work

- **Grouping (continued):**
 - Equal opportunity and treatment in employment (1, 2 + 3)
 - Safe work environment (1 + 3)
 - Social security (1 + 3)
 - Social dialogue, workers' and employers' representation (1 + 4)
 - Economic and social context for decent work

Note: (1) Rights (2) Employment (3) Social Security (4) Social Dialogue



DWI definitions & interpretation guidance

- Publication of quick reference manual with definitions and interpretation guidance for decent work indicators planned for 2010:
 - Interpretation is sometimes easy, e.g. the lower child labour or fatal occupational injuries, the better.
 - Interpretation is sometimes difficult, e.g. higher employment-to-population ratio or a lower unemployment rate need not always signal progress (e.g. Zimbabwe).
 - Having more than one indicators can corroborate findings.



Using Decent Work Indicators to monitor DWCPs and National Development Plans

- Decent Work Indicators can be used by constituents to monitor and assess progress on decent work at the national level:
 - Incorporates objectives of the Decent Work Agenda beyond the employment.
 - Offers opportunity to compare progress against that of other countries and to draw policy lessons / provide them to other countries.
- Decent Work Indicators can be used as outcome indicators for DWCPs and NDPs.



Decent Work Indicators for Zambia

- We hope that DWIs are a useful tool for constituents in Zambia.
 - Report on Regional Seminar in Addis Ababa by G. Banda and O. Mgemezulu (next session).
 - Your ideas on how DWIs could be used in Zambia and what the challenges are (before lunch).
 - Current DWI availability and links to the Z-DWCP (after lunch).
 - Working groups on thematic areas to identify priority DWIs for Zambia (afternoon & Tuesday).
 - How can the MAP Project support Zambia? (Tues.)



Decent Work Country Profiles

- **Presentation of information in decent work country profiles:**
 - Can be adapted to country needs by adding additional indicators (A) as required.
 - Long time-horizon (e.g. 1998-2008).
 - Start with pilot countries from different regions (Austria, Brazil, Tanzania, Malaysia, Ukraine).
 - Pending successful pilot phase, the aim is to compile around 30 country profiles per biennium.



ILO / EC Project 'Monitoring and Assessing Progress on Decent Work' (MAP)

- Objective is to develop a global methodology to strengthen countries' capacity to self-monitor progress towards decent work.
 - Support for DW modules in Labour Force Surveys & establishment surveys.
 - Baseline publication and later on a detailed analytical country studies.
 - Dissemination of findings among constituents.
- Focus on ten project countries:
 - Bangladesh, Brazil, Indonesia, Niger, Peru, Ukraine, Cambodia, Zambia and two others.



➤ Part 2: Decent Work Indicators



1. Employment opportunities

- M – Employment-to-population ratio, 15-64 years (S)
 - Definition: Percentage of working-age population (15 to 64 years) that is employed according to Resolution by the 13th ICLS (1982) on Economically Active Population.
 - Source: LFS, Census.
 - Repository: KILM, Laborsta and others.
 - Substitute indicator: Labour force participation rate.



1. Employment opportunities

➤ M – Unemployment rate (S)

- Definition: Unemployed as % of labour force, according to Resolution by the 13th ICLS (1982) on Economically Active Population.
- Source: LFS, Census.
- Repository: Laborsta, KILM and others.



1. Employment opportunities

- **M – Youth not in education and not in employment, 15-24 years (S)**
 - Definition: Sum of unemployed youth (13th ICLS, 1982) and youth economically inactive for reasons other than education and training, as % of total.
 - Source: LFS.
 - Repository: Partly Laborsta and KILM; others.
 - Substitute indicator: Youth unemployment rate, 15-24 years.



1. Employment opportunities

- **M – Informal employment (S)**
 - Definition: Informal employment as % of total employment, according to Guidelines concerning a statistical definition of informal employment by the 17th ICLS (2003).
 - Source: LFS.
 - Repository: STAT and KILM.
 - Substitute indicator: Proportion of own-account and contributing family workers in total employment (for developing countries; MDG Indicator).



1. Employment opportunities

➤ Other indicators:

A – Labour force participation rate, 15-64 years (S)

A – Youth unemployment rate, 15-24 years (S)

A – Unemployment by level of education (S)

A – Employment by status in employment (S)

A – Proportion of own-account and contributing family workers in total employment (S)

A – Share of wage employment in non-agricultural emp. (S)

F – Labour underutilization (S)

L – Government commitment to full employment

L – Unemployment insurance



2. Adequate earnings and productive work

➤ M – Working poor (S)

- Definition: MDG Indicator based on international poverty line of \$1 and \$2; alternatively based on national definition of poverty.
- Source: ILO estimates; national figures based on household surveys.
- Repository: KILM and NSOs.



2. Adequate earnings and productive work

- M – Low pay rate (below 2/3 of median hourly earnings) (S)
 - Definition: Percentage of all employed persons with hourly earnings less than 2/3 of median hourly earnings of full-time workers; cf. Resolution on employment-related income by the 16th ICLS (1998).
 - Source: LFS and other household surveys.
 - Repository: OECD, ILO and others.



2. Adequate earnings and productive work

➤ Other indicators:

A – Average hourly earnings in selected occupations (S)

A – Average real wages (S)

A – Minimum wage as % of median wage

A – Manufacturing wage index

A – Employees with recent job training (past year / past 4 weeks) (S)

L – Statutory minimum wage



3. Decent hours

- **M – Excessive hours (more than 48 hours per week; ‘usual’ hours) (S)**
 - Definition: Hours usually worked according to (draft) Resolution by the 18th ICLS (2008); threshold from ILO Convention No. 1 (1919).
 - Source: LFS.
 - Repository: Laborsta and KILM.



3. Decent hours

➤ Other indicators:

A – Usual hours worked (standardized hour bands)
(S)

A – Annual hours worked per employed person (S)

A – Time-related underemployment rate (S)

F – Paid annual leave (developmental work to be done by the Office; additional indicator)

L – Maximum hours of work

L – Paid annual leave



4. Combining work, family and personal life

- **Currently no main statistical indicator; developmental work to be done on:**
 - F – Asocial / unusual hours
 - F – Maternity protection
- **Legal framework currently covers:**
 - L – Maternity leave (incl. weeks of leave, replacement rate and coverage)
 - L (additional) – Paternity and parental leave



5. Work that should be abolished

➤ M – Child labour (S)

- Definition: According to (draft) Resolution on Child Labour Statistics by the 18th ICLS (2008).
- Source: Combined LF and Child Labour surveys; specialized surveys.
- Repository: ILO-SIMPOC.



5. Work that should be abolished

➤ Other indicators:

A – Hazardous child labour (S)

F – Other worst forms of child labour (S)

F – Forced labour (S)

L – Child labour (incl. public policies to combat it)

L – Forced labour (incl. public policies to combat it)



6. Stability and security of work

- M – Proportion of employed in precarious types of work (S)
 - Casual, seasonal and temporary workers, in % of currently employed population aged 15 and above..
 - Source / Repository: various.
 - Memo item: Informal employment grouped under employment opportunities.
- Other indicators:
 - A – Number and wages of casual/daily workers (S)
 - L – Employment protection legislation (incl. notice of termination in weeks)



7. Equal opportunity and treatment in employment

- **M – Occupational segregation by sex**
 - Definition: Index of Dissimilarity (ID) based on 2-digit ISCO-88 [ISCO-08] data:

$$ID = \frac{1}{2} \sum \left| \frac{M_i}{M} - \frac{F_i}{F} \right|$$

- Source: LFS, census.
- Repository: Based on Laborsta (SEGREGAT).



7. Equal opportunity and treatment in employment

- **M – Female share of employment in ISCO-88 groups 11 and 12**
 - Definition: Employed women in ISCO-88 groups 11 and 12 as % of all employed persons in these groups; measure for vertical segregation.
 - Needs to be adapted to ISCO-08.
 - Alternative: Share in ISCO-88 major group 1.
 - Source: LFS, census.
 - Repository: Based on Laborsta (SEGREGAT).



7. Equal opportunity and treatment in employment

➤ Other indicators:

A – Gender wage gap

A – Indicator for FPRW (Elimination of discrimination in respect of employment and occupation) to be dev. by the Office

A – Measure for discrimination by race / ethnicity / of indigenous people / of (recent) migrant workers / of rural workers where relevant and available at the national level.

F – Measure of dispersion for sectoral / occupational distribution of (recent) migrant workers

F – Measure for employment of persons with disabilities

L – Anti-discrimination law based on sex of worker

L – Anti-discrimination law based on race, ethnicity, religion or national origin



8. Safe work environment

- **M – Occupational injury rate, fatal**
 - Definition: Incidence rate in accordance with Resolution concerning occupational injuries by the 16th ICLS (1998).
 - Source: Administrative records, establishment surveys, other.
 - Repository: Laborsta.



8. Safe work environment

➤ Other indicators:

A – Occupational injury rate, non-fatal

A – Time lost due to occupational injuries

A – Labour inspection (inspectors per 10,000 employed persons)

L – Occupational safety and health insurance

L – Labour inspection



9. Social security

- **M – Share of population aged 65 and above benefiting from a pension (S)**
 - Definition: Population aged 65 years and above benefiting from pension, as % of total population in age group.
 - Source: Household surveys, administrative records.
 - Repository: ILO-SECSOC.



9. Social security

- **M – Public social security expenditure (% of GDP)**
 - Definition: According to Resolution on social security statistics by the 9th ICLS (1957).
 - Source: National social security data.
 - Repository: Eurostat, OECD, ILO-SECSOC and estimates based on WHO and IMF data.



9. Social security

➤ Other indicators:

- A – Health-care exp. not financed out of pocket by private households
- A – Share of population covered by (basic) health care provision (S)
- F – Share of econ. active pop. contributing to a pension scheme (S)
- F – Public exp. on needs-based cash income support (% of GDP)
- F – Beneficiaries of cash income support (% of the poor)
- F – Sick leave (developmental work to be done by the Office; additional indicator)
- L – Pension (public / private)
- L – Incapacity for work due to sickness / sick leave
- L – Incapacity for work due to invalidity



10. Social dialogue, workers' and employers' representation

➤ M – Union density rate (S)

➤ Definition: Adjusted Density Rate (ADR)

$$ADR = \frac{\text{membership} - (\text{retired} + \text{students} + \text{unemployed})}{\text{wage and salaried employees} - \text{ineligible groups}}$$

➤ Source: Administrative records and LFS.

➤ Repository: ILO DIALOUGE & STAT.



10. Social dialogue, workers' and employers' representation

- **M – Enterprises belonging to employer organization [rate]**
 - Definition: Under development; rate could be weighted by employment.
 - Source: Administrative records; establishment surveys.
 - Repository: Needs to be built.



10. Social dialogue, workers' and employers' representation

- **M – Collective bargaining coverage rate (S)**
 - Definition: Adjusted Coverage Rate (ACR)

$$ACR = \frac{\text{covered employees}}{\text{wage and salaried employees - ineligible groups}}$$

- 'Covered employees' includes those covered by extension.
- Source: Administrative records.
- Repository: ILO DIALOUGE & STAT.



10. Social dialogue, workers' and employers' representation

- **M – Indicator for Fundamental Principles and Rights at Work (FoA and CB)**
 - Definition: Indicator to be developed in line with ILO Conventions C.87 and C.98.
 - Source: Mainly based on data gathered by ILO supervisory system; indicator constructed by the ILO.
 - Repository: ILO.



10. Social dialogue, workers' and employers' representation

➤ Other indicators:

- A – Strikes and lockouts/rates of days not worked [interpretation issues]
- L – Freedom of association and right to organize
- L – Collective bargaining right
- L – Tripartite consultations

