Regional Project for improving labour market statistics and strengthening the management of labour market information and systems for monitoring poverty in Africa

DEVELOPING AND IMPLEMENTING A LABOUR MARKET INFORMATION SYSTEM

TRAINING MANUAL

July 2007

CONTENTS

FOREWORD

The nature of unemployment and underemployment problems in Africa is structural. Most economies on the continent are unable to generate growth rates that are sufficiently high to absorb the ever-increasing manpower in the modern sector. In fact, the current level of formal employment reflects only a small proportion of the manpower. Also, many countries have engaged in vital legislative reforms and initiated a wide range of programmes and projects related to the labour market. In most of these countries, these actions coincided with the implementation of structural adjustment programmes which produced less positive results on the national economy. Consequently, a majority of the active population on the continent has continued to operate within low-productivity and low-earnings sectors, that border on subsistence activities such as traditional agriculture and informal sector enterprises.

In addition, almost all African countries are stakeholders in sub-regional integration programmes (CEMAC, ECOWAS, WAEMU, SADC, etc.) whose actions also aim to improve employment and human resources development policies. However, it should be noted that the consequences on African economies of an increase in trade and investment flows which characterizes the globalization process has been diversely felt. Indeed, the introduction of new technologies, of new systems for production and labour organization as well as the promotion of an export-oriented manufacturing industry has influenced the labour market.

Although everyone is aware of the vital role employment should play in the fight against poverty, it should be acknowledged that the collection, processing and analysis of labour market information have been fairly neglected activities in the national statistic system. It is in this context that the ACBF-LMIS Regional Project entitled "Improving labour market statistics and strengthening the management of labour market information and systems for monitoring poverty in Africa" was initiated. The project execution was assigned to AFRISTAT, with financing from African Capacity Building Foundation (ACBF). The project objective is to build the capacities of governments and national institutions for the collection, processing, analysis and use of labour market information.

The project's pilot phase has covered the period from 2004-2007 in five African countries, namely Cameroon, Mali, Nigeria, Uganda and Zambia. One of the main objectives of this phase is to design methodological tools to guide the actual establishment of labour market information systems in the countries. That is the purpose of designing this manual.

AFRISTAT would like to express its gratitude to all who supported and contributed to the finalization of this document, especially to Dr. Abel NKOUNGOUROU EBONGUE, Regional Expert of the project. Thanks also go to **Dr. Soumana SACKO**, Executive Secretary of ACBF, for his institution's constant support towards setting up the project and ensuring its proper execution.

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INTRODUCTION

Various African countries have been putting in place national poverty alleviation programmes which, since 1999 when the enhanced initiative for highly indebted poor countries (HIPC) was launched by the Bretton Woods institutions (the World Bank and the International Monetary Fund), can be seen in numerous States in the form of poverty reduction strategy papers (PRSPs). The purpose of these programmes and papers is to present the strategies and actions the States intend to implement in a bid to reduce poverty.

The problem of employment and poverty alleviation, which was unfortunately neglected in first-generation PRSPs, has now become one of the major strategic axes of these programmes. In fact, the nature of the problems of unemployment and under-employment in Africa is structural. Most economies on the continent are unable to generate growth rates that are sufficiently high to absorb an ever-increasing manpower in the formal sector.

From that standpoint, job creation by means of an employment policy constitutes a major objective for all governments on the African continent in their programmes for poverty alleviation and provision of assistance to vulnerable groups.

However, attempts to translate the job creation objective and related goals into measurable indicators raises issues relating to the production and use of labour market information.

The evaluation of labour market information systems (LMIS) in Africa, in general, and in participating countries of the LMIS/AFRISTAT project, in particular, that is, Cameroon, Mali, Nigeria, Uganda and Zambia, which was conducted by the Regional Project Unit, has shown that available information on the labour market dynamic is often fragmentary and either of limited significance or obsolete. Several labour market indicators are not produced regularly and the statistical procedures, that is, the classifications, concepts and definitions, are yet to be harmonized.

This training manual deals with the development and establishment of a LMIS. It will provide some guidelines on designing such a system. It attempts to address the following concerns:

- What components and sub-components should a LMIS have?
- How should the system be designed?
- What labour market information (LMI) should be sought?
- What should the priorities be in the collection of quantitative and qualitative data?
- And how should this data be stored and later released?

Chapter One deals with the vital role a LMIS can play in the implementation of development policies. Chapter Two presents an overview of LMIS in African countries. Chapter Three discusses institutional mechanisms and strategic axes for LMIS development, while Chapter Four addresses the production of labour market data. Finally, Chapter 5 presents various labour market analyses and indicates the main publications which can be produced.

CHAPTER 1: ROLE OF A LABOUR MARKET INFORMATION SYSTEM

This chapter seeks to clarify, on the one hand, the concepts of information and of labour market information system and, on the other hand, it lays emphasis on the role of such a system in the formulation of employment policies. Lastly, it indicates at the end the information needed by major users of the LMIS.

1.1 Information and labour market information system

- The two definitions of "labour market information (LMI)" concept which appear to be more significant are those given by the International Labour Organisation (ILO) and the Overseas Development Agency of Great Britain.

The ILO's definition

For the ILO, this relates to "any information concerning the size and composition of the labour market, the way it or any part of it functions, i.e. its problems, the opportunities which may be available in the labour market, and the employment-related intentions or aspirations of those who are part of it".

The Overseas Development Agency's definition

The Overseas Development Agency defines LMI as "the total package of labour market signals, indicators and information gathered".

Within the meaning of this definition, "labour market signals" refer to "discrete pieces of raw evidence, whether quantitative or qualitative"; and labour market indicators are defined as "several signals, which, when processed together, imply a trend or direction".

These definitions indicate that LMI includes the following:

- information which is both quantitative and qualitative;
- data on labour market actors and their environment, as well as useful information relating to institutions, policies and rules of the labour market, all of which are collected by means of credible methodologies and practices;
- the widest possible range of information on the economic environment labour market actors.

Statistical information is defined here as data collected by means of statistical methodologies (such as censuses, surveys, etc.). However, non-statistical information may also be quantitative or qualitative and could have been collected in application of certain conventions or practices.

Definition of labour market information system

"Labour market information system (LMIS)" refers to the set of institutional arrangements, procedures and mechanisms put in place to coordinate the collection, processing, storage, retrieval and release of labour market information.

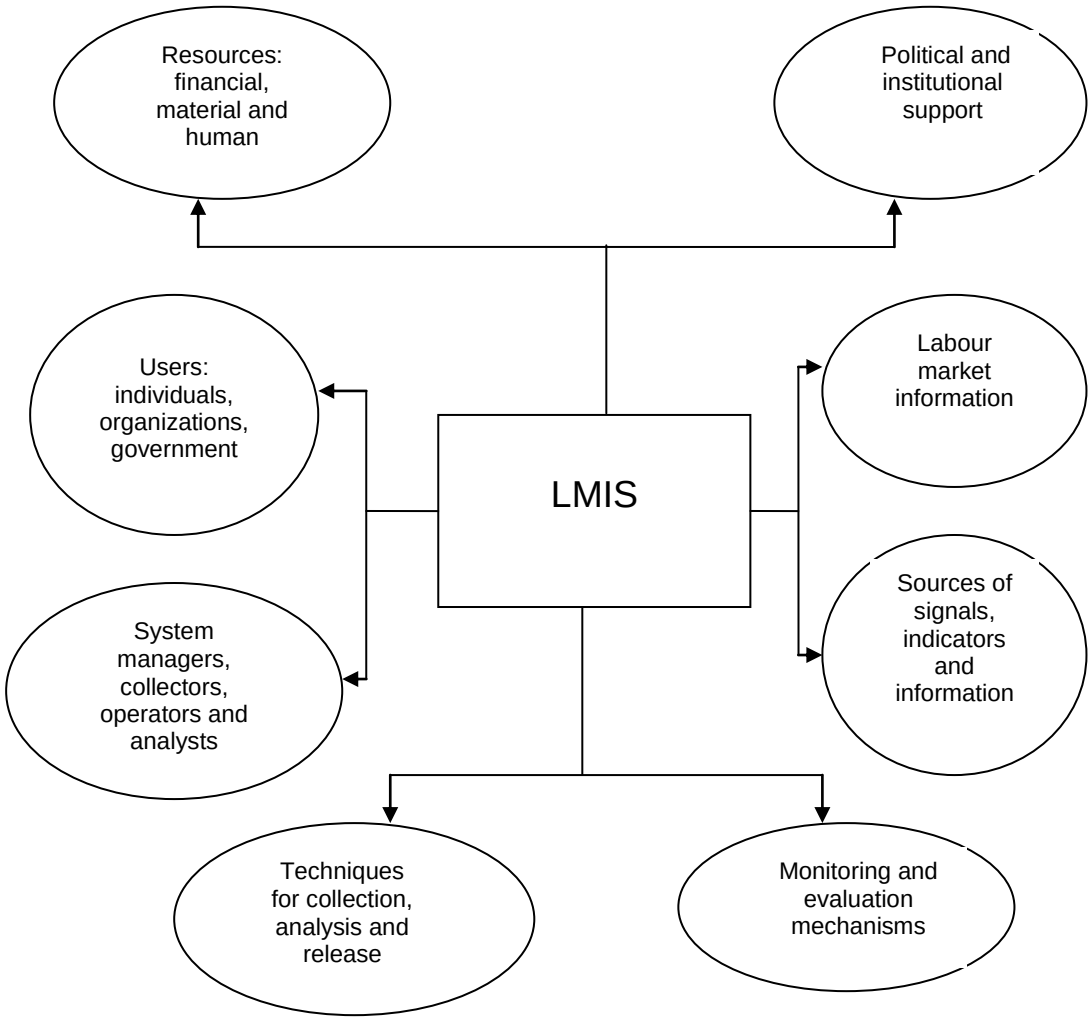
Thus, a labour market information system will include the following elements:

- users (who may be individuals or organizations) ;
- signals, indicators and information sources;
- managers of the system, data collectors, operators and analysts ;
- labour market information *per se*;

- data collection and analysis methodology;
- financial, material and human resources;
- sub-systems for training of the personnel and end-users of the system, feedback from users and evaluation, research, development of methodologies and publications.

This list shows that labour market information as such is only a component of the system. LMI users and the methodologies for the collection and analysis of data are integral parts of the system. The LMIS can be illustrated as follows.

Figure 1: Elements of a labour market information system



1.2 Formulation of employment policies

The role of the LMIS is to serve in the formulation and implementation of employment policies. Indeed, there is a close link between information and the policy formulation cycle, that is, the identification of issues requiring policy, policy formulation and its implementation.

These stages reflect the cyclic nature of a policy process. The problems are identified, followed by formulation of policies to address them. Though policy implementation translates into a full achievement of its objectives, it is however more realistic to assume that existing policies should be reformulated in a bid to better take into account certain issues. That is the beginning of a new cycle.

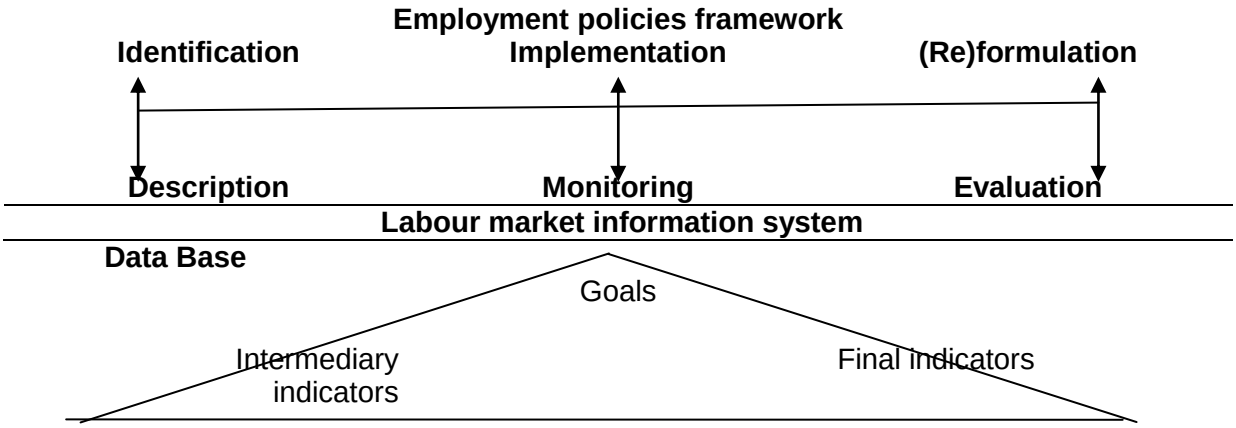
The process for the systematic production of information can be summarized as follows:

- assessment of user needs;
- data collection;
- data analysis and release.

These activities are integrated into the stages of the policy cycle, such that relevant information is constantly available. For example, a user needs assessment may reveal the necessity of collecting more information in order to identify issues that require policy or to provide information relating to the impact of certain policies. New data collection operations will then be conducted or existing data collection mechanisms may be extended or adapted. Data thus obtained will be analysed to produce useful information. The cycle may recommence.

The integration of information production and the policy cycle is far from being perfect in Africa, in general. Therefore, the policy cycle and the labour market information system should mutually add value, thanks to the interaction between the two and the inclusion of feedback mechanisms. The integration process may be illustrated as shown in figure 2 below.

Figure 2: Employment policies and labour market information system



For example, the field personnel who monitor a labour-intensive public works programme could notice that most programme beneficiaries were outside the target group. The analyst's task will then consist in identifying the additional information required to determine the reasons for this programme's ineffectiveness. Afterwards, decision-makers may require expert advice on desirable changes to the policy. Consequently, analyses should essentially deal with ideas and issues arising from policy implementation and not from data collection as such.

Functions of labour market information systems (LMIS)

The "description" function is a **basic or minimum function** of the LMIS which facilitates the identification of policy issues. It consists in describing, particularly in quantitative terms, the situations which prevail on the labour market and the labour market trend. The "monitoring" function of the LMIS aims to ensure a follow-up of the progress towards achieving the objectives of employment, labour and human resource development policies. Lastly, the "evaluation" function helps in verifying the extent to which the achievements of objectives are attributable to the policies.

These three functions reflect an expansion or a deepening of LMIS activities in the formulation of policies on employment, labour and human resource development. They entail the production of indicators, which should be stored in labour market data bases.

CHAPTER 2: STATUS OF LABOUR MARKET INFORMATION SYSTEMS IN AFRICAN COUNTRIES

The purpose of this chapter is to highlight the difficulties in the functioning of labour market information systems and the shortage of statistical data in African countries. The goal of such a diagnosis is to gain a better understanding of the current situation and to make proposals in view of better arrangements.

2.1 Overview

Information systems can be assessed according to the four criteria below:

- relevance: when the system contributes to the achievement of set objectives (economic and social) for a given organisation or an entire country;
- effectiveness: if it contributes to the achievement of expected results;
- performance: when it produces results promptly and without wasting resources;
- sustainability of the system, the three other criteria all related to this last one.

With regard to these criteria, investigations which were conducted in beneficiary countries when the LMIS project commenced were to assess their LMIS. For that purpose, information on the functioning of the systems in the various countries was collected. The information was related to the following:

- identification of potential LMIS producers/users and assessment of their needs;
- familiarization with ongoing statistical activities with regard to the production of LMI;
- inventory of data gathered, as well as their collection methods and periodicity;
- measurement of the quality et appropriateness of the data produced;
- coordination mechanisms within the system;
- problems encountered.

The investigations indicated that labour market information (LMI) is still under-used in the formulation of employment policies and drafting of poverty reduction strategy papers. Above all, it was observed that this information was not produced regularly and was hardly disseminated. Yet, LMI appears to be essential to policy-makers in ministries and government services responsible for human resource development policies and programmes whose tasks include the formulation, monitoring and evaluation of policies and programmes relating to the labour market, including human resource development (HRD).

On the whole, these LMIS were deemed to be either not relevant or effective. In some cases, it was not even a real information system, as it lacked an institutional anchor or a collaboration network between the various institutions. This observation also applies to most African countries. However, in certain countries, observatories for employment issues have been set up for the purpose of conducting labour market analyses. The sustainability of these institutions, which were established as fixed-duration projects, is uncertain in term of the institutional anchoring for their assigned missions.

2.2 Availability of data

Interviews with various stakeholders in the countries have revealed that, at present, a number of institutions have useful, but under-used, data. Consequently, the utility of the LMIS depends on the ability of the institutions and bodies involved to distinguish between information accumulation and effective use thereof in policy planning and decision-making processes.

Moreover, in some countries, reference data obtained from labour surveys are lacking. In addition, though the informal sector appears to be developing rapidly, there is hardly any quantitative information on the number of jobs, skills, etc. Consideration of data on this sector is henceforth important for effective labour policies in African countries. States should go into this sector in as many ways as possible in a bid to gain a better understanding and to enhance its management thereof.

2.3 Obstacles to the development of LMI and LMIS

A situation analysis of countries revealed the existence of common obstacles in respect of the use and development of LMIS. In fact, the progress made in the area of the development and use of LMIS has been "rather unequal" and most countries are lagging behind. Moreover, there is still a gap between the ability to collect labour market data, on the one hand, and the ability to analyze information and formulate policy, on the other hand. Although this gap varies from one country to another, it is marked by a combination of the following factors:

- limited capacity and means for conducting, in an efficient, consistent and prompt manner, the collection, processing, analysis and dissemination of LMI ;
- bad/incomplete coverage of the field;
- inability to compile information from various sources ;
- inability to incorporate informal sector data collection exercises into the national framework;
- ill-adapted resources for statistical programmes and other activities aimed at generating LMI;
- difficulty for statistical data users to clearly define their needs and to submit them to LMI producers;
- inadequate analysis of information gathered to address the needs of decision-makers ;
- poor performance of labour market information systems in providing timely responses to emergency situations ;
- poor structural mechanisms for establishing the link between policy implementation and labour market trends ;
- imbalance between qualitative and quantitative information on the labour market ;
- no assessment of the relevance and utility of the information for the various users, particularly, those outside ministries and public bodies.

CHAPTER 3: DEVELOPING LMIS IN AFRICAN COUNTRIES

In light of the situation analysis that was performed, it is vital to propose a design for the labour market information system which assigns a recognized role to each identified actor, one which clearly defines the institutional management mechanisms as well as the strategic axes for the development of the system.

3.1 LMIS objectives

The information system described above is a general framework which combines institutional mechanisms, production and management resources as well as actors for the purpose of producing labour market analyses for use in the formulation and implementation of employment policies. To address these concerns, the LMIS should be capable of:

- providing relevant and reliable information on employment, vocational training and the labour market, at national level and in administrative sub-units;
- analysing the labour market with emphasis on signals;
- providing a tool for decision-making by contributing to the definition, evaluation and improvement of labour policies and in promoting social dialogue between partners.

3.2 Main LMIS actors and their respective role

It is vital to know the actors and each one's role. Actors are either producers or users of labour market data, though some of them play both roles.

3.2.1 LMI producers

Labour market statistical data are produced by several actors. The types of data produced depend on the objectives pursued.

a) National institutes of statistics

First of all, national institutes of statistics (NIS) which produce labour statistics by means of household and business surveys or operations of general census of population and housing (GCPH). These generally involve key indicators which provide a snapshot of the labour market.

The data collection methods used by these institutes of statistics have been characterized as robust and permit extrapolations of the events observed. It should also be noted that these institutes are familiar with the use of international labour concepts and classifications. Lastly, they provide, when requested, support to other structures involved in the collection, processing and analysis of labour market data.

b) Labour statistics services

In principle, these services exist within ministries in charge of employment or labour and are responsible for conducting specific surveys on the sector, notably on private enterprises and the public sector. They also work with labour inspectorates in the conduct of certain studies related to rights of workers.

However, it should be noted that, in African countries, most services in charge of labour statistics face real difficulties in performing their duties.

c) Services in charge of planning vocational training

The planning services of ministries in charge of vocational training are producers of statistical data which enable an analysis of developments in vocational training for youth (and, at times, for older persons) as well as their insertion into the labour market.

d) Education planning services

Data on education and teaching, produced by the planning services of education, are very useful for the analysis of the potential labour market supply. These data should equally be compared with those on demand for labour by the various employers to analyze the market dynamic.

e) Observatories for employment and vocational training issues

In African countries, these observatories were set up since the 1980s to address not only the issue of a gap in labour market information but also for the purpose of studying the thorny issue of matching employment with training. The main missions of these observatories are:

- to collect, process, analyze and disseminate labour market information in a regular manner;
- to make available to the public and decision-makers such elements for their understanding and guidance with regard to creating jobs and improving the match between training and current as well as future opportunities on the labour market .

f) National employment and vocational training agencies (NEAs)

In principle, national employment and vocational training agencies (NEAs) act as a manpower service. In that regard, they contribute to:

- increasing knowledge on employment potential, in order to foster increased national capacity to formulate and implement employment policies;
- developing and improving employment through enhanced regulation of the labour market and by matching training with employment.

NEAs are parapublic offices which record the demand and supply of employment and effect manpower placements. In France, the *ANPE* (*agence nationale pour l'emploi*) is a service which receives great attention from policymakers, since it regularly publishes data on the labour market dynamics which constantly draws the attention of the three stakeholders (the government, employers' and trade unions' organisations).

In Africa, the labour market is very poorly structured. The number of jobs offered by the modern economic sector is very limited. A good proportion of jobs are rather created in the informal sector. This structuring of the economy restricts access to employment through official channels including NEAs. Consequently, most job seekers rather rely on personal relations. Therefore, NEAs are able to only partially accomplish their missions. They only receive job offers from government services and some enterprises of the modern sector. In contrast, their job application records are fairly fragmented.

g) Private employment agencies

The underperformances in NEAs missions are compensated for in some African countries by private employment agencies (PEAs). As their name indicates, PEAs provide services for a fee. These agencies receive job applications from individuals and job offers from private enterprises or other institutions. They then place job applicants in enterprises according to the worker profiles requested by these enterprises.

PEAs are an emerging reality in Africa and often lack the entire range of infrastructure for their work (archives for job offers, job applications and placements). In addition, the increase in the numbers of such agencies results in the same individual simultaneously submitting job applications to several agencies. While data on employment furnished by these agencies are useful, there is a need to process them in a way that avoids double counting.

3.2.2 LMI users

LMI is produced to help development planners, employers' and workers' organisations as well as policymakers.

a) Human resource and employment planners

Country-level officials with responsibility for development planning need LMI to identify policies and design programmes that promote human resource development and employment in the medium- or long-term. This category includes officers responsible for budgetary, monetary, economic development, vocational training and higher education policies.

Officials responsible for planning fiscal and monetary policies conduct in-depth studies on national and regional employment and unemployment trends before recommending either change in public expenditure or interest rates adjustments. In many countries, especially in developed countries, statistics from monthly or quarterly surveys on the active population play a primary role in the definition of budgetary and monetary policies.

Economic development planners need an important mass of information on national, regional and local labour markets. For example, policies designed to stimulate the growth of high-technology industries should take into account the availability, at the present time and in the future, of highly qualified manpower. Similarly, decisions concerning the programming of construction phases of large-scale industrial projects and major infrastructure projects financed by the State should be based on information on job supply and demand.

Senior officials responsible for the general planning of State budgets require economic, demographic and labour market information to monitor changes occurring within the jurisdictions of the budget concerned. In many cases, labour market information triggers an early warning about the inflow of workers and their families into one region or their outflow from another, as employment possibilities increase or reduce.

Labour market programmes and policies planners rely heavily on labour market information to formulate policies and programmes which incorporate such important issues as manpower mobility, work experience, training in industry as well as the social insertion of specific target groups. Planners

of labour force mobility programmes need LMI for determining the type workers they need to attract when the economy of a given region faces an acute shortage of skills and when local-level training programmes fail to satisfy the demand for skilled workers.

Higher education planners refer to demographic and labour market data when they design policies in respect of the number, types and location of higher education institutions, as well as in determining such issues as the level of financing and tuition fees. Furthermore, the levels of financing, tuition fees and student assistance programmes should reflect the changes occurring on the labour market. In addition, LMI is useful to orient education programmes.

b) Employment services

Managers of employment services need general information on vacancies, job seekers, trends in skills and occupational requirements, career prospects within various industries and professions, as well as on education and training programmes, to plan the provision of services.

The personnel responsible for placement in employment services need rather specific information on job vacancies and job seekers to match job vacancies with job seekers. While guidance and career development counsellors require information on employment prospects which provides them with a good understanding of the changes taking place and labour market requirements in terms of skills.

c) Education and vocational training institutions

These institutions need information on labour market trends, the performance of the economy, changes in technology and their impact on skills development, as well as on the programmes offered by other (competing) institutions, etc., to orient training programmes for young people towards career opportunities.

Guidance counsellors within these institutions use the findings of graduate follow-up studies and information on expected skills to guide students to take appropriate courses.

d) Employers' organisations and trade unions

These two types of organisations need LMI on job availability and demand, as well as on the composition of human resource skills, training opportunities, productivity levels, wage levels, work conditions, adoption of collective agreements, labour regulations governing collective bargaining processes, health and security matters, as well as career profiles for various jobs and professions.

This information enables employers to refine their personnel management policy, collective bargaining strategies, human resource training and re-training policies and to decide on the time and scale of their investments. On their part, employees and their respective professional organisations use information on expected changes on labour markets to draw up their strategies for collective bargaining.

e) Students and job seekers

Students use LMI to gain a better knowledge of current and future skill needs on labour markets, so as to take judicious education and training decisions. They are mostly interested in specific information on the requirements of the various professions in terms of levels of education and skills, as well as of the location, programmes and access conditions to education and training institutions.

As for job seekers, they are interested particularly in information on locations with job vacancies, as well as information on the level of education and skills required for those posts.

3.3 Institutional mechanisms for LMIS management

Apart from providing the LMIS with an institutional anchor, it is necessary to establish a structure to coordinate actions in a bid to make the system effective. This structure which will be institutionalized should comprise a representation of all institutions intervening either as producers or users in the LMIS.

For example, within the framework of the LMIS project, the national institution which serves as the LMIS anchor varies from one country to another. In Uganda and Zambia, it is the planning services of the ministries in charge of labour; while in the three other countries (Cameroon, Mali and Nigeria), the institutional anchor is rather services which play the role of employment agencies or of observatories.

The coordination structure for activities in each country is called the National Steering Committee (NSC) and its composition is based on the involvement of the three stakeholders (government, employers' and trade unions' organisations). Another common element in all the countries is the membership on the NSC of their national institutes of statistics, as well as of the private sector and civil society.

To constantly mobilize their members to participate in meetings to improve the results of the LMIS, NSCs should be institutionalized and furnished with internal rules for functioning. Furthermore, work programmes of LMIS anchor institutions should be discussed and approved by the coordination structures.

3.4 Strategic axes for LMIS development

Following a diagnosis, it is necessary to define the strategic axes which should determine actions to improve the performance of the LMIS. Within the framework of the LMIS project, for example, four strategic axes were defined. These are presented below.

a) Advocacy for improving LMIS

Poor visibility for LMIS undeniably leads to a loss of their reputation. It is important that their existence be known by policymakers and main users of the LMIS. To achieve that goal, advocacy actions should be defined and executed.

To that end, seminars/workshops can be organised for policymakers and management staff of various institutions, as well as sensitization campaigns, including the production advocacy tools like internet sites.

b) Building capacity for analyzing information on employment and poverty issues

One of the weak links in LMIS in African countries is the absence or inadequacies of labour market analysis units which formulate, implement and evaluate employment policies. To address this crucial issue, it is necessary to develop activities which enhance the use of available information to produce reports and analyses that satisfy users, namely policymakers, social partners and various actors in the process of elaborating, implementing and monitoring of poverty reduction strategy papers (PRSPs).

LMIS capacity building should equally use information and communication technologies (ICTs). Mastery of this tool will foster networking by contributors to the production and analysis of labour market data as well as foster the creation of data bases.

c) Regular production of data

The backbone of LMIS work programmes should inevitably be the regular production of quantitative and qualitative data on the labour market. Such data should permit a situational analysis of the labour market as well as an assessment of its dynamic.

The annual situational analysis may be defined as a full description of the national labour market within the economic context of a given country. The report includes a detailed analysis of the situation and an abstract which presents the key points of the main characteristics for decision-makers and the media.

The analysis of the labour market dynamic provides knowledge on the moments for favourable or unfavourable shocks for its expansion. This dynamic should be analysed in good time for its judicious use. It thus involves an analysis of labour market data for time frames of less than a year. Depending on the country's capacity, this analysis may be a monthly, quarterly or biannual labour market situation.

d) Network for sharing and coordinating information production, storage and dissemination

Building the capacities of institutions responsible for LMIS implementation should include an ability to establish networks at national and regional levels.

At the national level, the network should mainly target users and producers of employment statistics and useful data for expounding on the various issues to be addressed in the analysis of the labour market situation or dynamic. The network also helps to sensitize policymakers and is useful in determining advocacy actions.

A the regional or international level, the establishment of a network above all maintains awareness of updates on methodologies, helps to harmonize methods and facilitates participation in forums for developing strategies for implementing policies on development and employment.

Another very important aspect is that it constitutes a labour market data base. It is an important activity for coordinating information production and storage. All national network members should be involved at various levels and the base should be structured according to the various sections of the labour market analysis.

CHAPTER 4: TYPES OF DATA AND METHODS OF COLLECTION

This chapter describes key indicators of the labour market, types of data and methods of collection.

4.1 Main labour market indicators

Twenty key indicators of the labour market (KILM) are recommended by the international community, for use in labour market analysis. These categories of indicators can be classified, if necessary, by field of activity, employment, status of employment and study status or by geographical area, sex or age. This breakdown offers unlimited possibilities for compiling data bases on the labour market and indicators for describing or formulating policies.

These indicators are here classified under eight categories:

1. participation in the work world;
2. employment;
3. unemployment, underemployment and inactivity;
4. educational attainment and illiteracy;
5. wages and manpower costs;
6. labour productivity and unit labour cost;
7. labour market flows;
8. poverty and income distribution.

4.1.1 Labour force participation rate (KILM 1)

KILM 1. Activity rate

The activity rate, **which measures participation in the work world**, is the economically active proportion of the working-age population in an economy. It indicates the relative share of the supply of labour available for the production of goods and services. The distribution of the active population can be done by sex and age groups. Definitions to be considered are the following:

- **The activity rate** is defined as the ratio of manpower (economically active population) to the working-age population. In other words, it is calculated by expressing the number of persons of the active population as a percentage of the working-age population.
- **The active population** is composed of all working and unemployed persons.
- **The working-age population** comprises all persons of a stipulated age who are able to participate in economic production in the sense of national income accounting.

4.1.2 Employment indicators (KILM 2-7)

Six of the twenty indicators concern employment measure. Although they do not cover all the possible employment situations, they reflect the main aspects of an occupation or of a job.

Employment/population ratio (KILM 2)

The employment/population ratio or occupation rate is defined as the proportion of the of working-age population which is employed. This indicator sheds light on the ability of an economy to create jobs. A high ratio means a substantial proportion of the population is employed, while a low ratio indicates that a significant percentage of the population does not participate directly in productive activities.

Situation in employment (KILM 3)

This indicator makes a distinction between three major categories of employed persons, namely dependent labour force, self-employed persons and family workers.

The breakdown of information on employment by employment situation is a basic data for describing workers' behaviour and their working conditions, as well as for defining the individual's socio-economic group.

Employment by sector (KILM 4)

Jobs are categorised under three major groups of economic activity, namely agriculture, industry and services. This indicator informs on the distribution of employment by industry groups. Thus, these three groups of economic activity are presented as percentages of the total employment.

Part-time workers (KILM 5)

This indicator lays emphasis on individuals whose total working hours are less than "full time". It is expressed as a proportion of total employment. Because there is no agreed international definition as to the minimum number of hours in a week that constitute full-time work, the dividing line is determined either on a country-by country basis, or through the use of special estimations.

Two measures are calculated for this indicator:

- total part-time employment as a proportion of total employment, sometimes referred to as the "part time" employment rate; and
- the percentage of the part-time workforce comprised of women.

There is no official definition of full time work, largely because the situation varies from one economy to another. At the 81st International Labour Conference in 1994, the ILO defined "part-time worker" as "**an employed person whose normal hours of work are less than those of comparable full-time workers"**. The definition of a standard work-week can, and often does, provide a legal basis or cultural reference for full-time work.

Hours of work (KILM 6)

Three measurements concerning work hours can be calculated in order to assess the time which employed persons devote to professional activities (all workers have been taken into consideration);

- The average annual number of hours worked per person;
- Employed persons who generally put in a restricted number of hours per week (lower than half the usual weekly hours);
- Persons who put in an “excessive” number of hours per week (higher than the usual weekly hours of the average employee).

Definitions

Normal work hours are the hours of work set down by the law in accordance with legislation and regulation, collective bargaining or arbitration decisions. Contrarily, these are daily or weekly number of hours beyond which any time put in is remunerated at the rate of overtime or constitutes an exception to the rules and habits of the establishment with regards the categories of workers concerned.

Usual work hours per week represent the most widespread weekly work schedule over a given period. They comprise additional hours which systematically occur each day or each week.

Effective work hours ought to comprise:

- hours effectively put in during normal periods of work;
- time worked in addition to working hours during normal periods of work, and generally paid at rates higher than normal rates (overtime);
- time devoted at the job site to such activities as preparing the work premises, repairs or maintenance, preparing and cleaning tools, preparing receipts, attendance lists and reports;
- time of technical unemployment, which means spent on the job site, waiting, for such reasons as the absence of available work, break down of equipment or accidents, or time spent on the job site during which no work is done, but for which payment is made on the basis of a guaranteed employment contract;
- time corresponding to periods of short rest on the job site, notably coffee/tea breaks.

These hours should not take into account: paid but non-working hours, notably paid annual leave, public holidays and paid sick leaves, lunch breaks and time spent on movement from the home to the work site and vice versa.

Employment in the informal economy (KILM 7)

This indicator is a measure of employment in the informal economy as a percentage of total employment. It is calculated as a ratio between the number of persons employed in the informal economy and the total number of employed persons.
The notion of informal economy encompasses at the same time informal jobs and all jobs exercised in enterprises of the informal sector and in households. While it is true that informal jobs are mainly offered by enterprises of the informal sector and in households, they may equally be found in the formal sector. Thus, family workers in a formally declared enterprise may carry out informal jobs. This equally applies to some undeclared salary earners who work in modern sector businesses.

4.1.3 Indicators of unemployment, underemployment and inactivity (KILM 8-13)

Indicators of this section concern, not only unemployment-related aspects and the characteristics of those who find themselves in this situation, but also the group of persons who are underemployed in terms of work time and those who are not part of the active population.

This section starts with the most commonly cited indicator, the unemployment rate (KILM 8). In order to complete the overall unemployment rate, other measurements of the unemployment situation of two specific groups have been presented: youth unemployment (KILM 9) and long-term unemployment (KILM 10). These indicators are followed by unemployment by educational attainment (KILM 11).

While there are undoubtedly other measures of unemployment which can be selected, many of those which are known and used in the economies, namely the above-mentioned four, are supposed to reflect, as broadly as possible, the lack of jobs at national level.

The last two indicators of this section deal more with insufficiency of economic activity than with unemployment proper. Time-related underemployment (KILM 12) is a measure which indicates that the hours of work of an employed person are lower than what that person is prepared to do or can do. The last indicator is the inactivity rate (KILM 13), which determines **the number of persons of intense activity age on the labour market (25-54 years)** who are not part of the active population (that is, those who are neither employed nor jobless).

Unemployment (KILM 8)

The unemployment rate is perhaps the labour market measure most cited by the media. Combined with the occupation rate (KILM 2), it constitutes the indicator which provides the broadest description of the labour market in economies which collect information on the active population. The concept of the unemployed as defined by the ILO is based on three criteria, namely a person without a job, in search of a job and available for work within a specific deadline. This last criterion is often adapted

from one country to another. It could mean the availability of the individual within two weeks to one month or more as soon as he is presented with a job offer.

The unemployment rate is the relation between the total number of unemployed persons (for an economy or a specific group of workers) and the active population (total number of the employed and the unemployed). Thus, it is indeed the man-power (the economically active part of the population) which constitutes the denominator and not the total population.

The unemployment rate is one of the most sensitive statistics at the political level. For this reason, LMIS designers expect to see their definitions of the active population and of unemployment questioned each time the unemployment rate increases while the economy seems to be improving. Unfortunately, the rate of unemployment generally drops only when economic revival is successfully underway, for it is an indicator which lags behind economic activity.

Youth unemployment (KILM 9)

Youth unemployment is generally considered as an important policy issue for many countries, regardless of the stage of development.

Within the framework of this indicator, **the term "youth" covers persons aged 15 to 24**. The indicator comprises four distinct measures, each representing a different aspect of the problem of youth unemployment. These four measures are:

- the youth unemployment rate (youth unemployment as a percentage of the young active population);
- the youth unemployment rate as a percentage of the adult (25 years and above) unemployment rate ;
- the youth share in total unemployment;
- youth unemployment as a proportion of the youth population.

Long-term unemployment (KILM 10)

The indicator comprises two separate measures of long-term unemployment:

- *long-term unemployment*: those in unemployment one year or more as a percentage of the labour force;
- *incidence of long-term unemployment*: those in unemployment one year or more as a percentage of the total unemployed.

While short periods of joblessness constitute minor concerns, extended periods of unemployment entail several unpleasant consequences, particularly the loss of income and the reduction of the job seeker's employability.

Unemployment by educational attainment (KILM 11)

The indicator concerns unemployment by categories of workers classified on the bases of their level of schooling. Specifically, the indicator is a proportion of total unemployed in a country in each of the five categories of schooling: less than one year, less than primary level, primary level, secondary level and tertiary level.

Time-related underemployment (KILM 12)

Underemployment reflects underutilisation of the productive capacity of the labour force. The indicator includes all persons in employment whose hours of work are insufficient in relation to an alternative employment situation in which the person is willing and available to engage. This indicator is equally known as "visible underemployment".

Two time-related underemployment rates are generally calculated:

- time-related underemployment as a percentage of the labour force; and
- underemployment as a percentage of total employment.

Inactivity rate (KILM 13)

Individuals are considered as not belonging to the active population, if they are neither working nor seeking work. There are several reasons why these persons do not belong to the labour force: some are simply concerned with taking care of their family members, others are on retirement, sick or disabled or are still studying. These persons could also feel that no jobs are available or may not wish to work.

The inactivity rate is the percentage of the population that is not in the labour force. Its calculation is limited to the full activity age group (25 to 54 years), within which the chances of belonging to the active population are greatest.

4.1.4 Indicators of educational attainment and illiteracy (KILM 14)

This measure reflects the levels and distribution of the knowledge- and skills-base of the labour force. It includes two measures pertaining to educational levels of the active population and a third measuring illiteracy in the adult population. The indicators cover the educational attainment of both women and men in the entire labour force and equally lays emphasis on the proportion of young workers (aged between 25 and 29) who have completed higher education.

4.1.5 Indicators of wages and labour force cost (KILM 15-17)

This section presents three distinct indicators concerning real average wages in manufacturing (KILM 15), nominal and real wage rates and/or earnings in industry (KILM 16) and the cost structure of average wage of employees in manufacturing (KILM 17). The first two reflect the situation of workers and present a measure of the level and trend of their purchasing power and an approximate appraisal of their level of life, while the third indicator gives an estimate of the employers' expenses on productive staff. These indicators are, however, complementary, since they show the two main aspects of existing wage measures such as the income of the employees and personnel costs incurred by the employers.

Manufacturing wage indices (KILM 15)

KILM 15 presents average real wage trends in manufacturing. The Consumer Price Index (CPI), which serves in calculating real wages, measures the progress, over time, of the cost of a fixed basket of goods and services. Statistics of real wages are based, generally, on gross income (before deduction of income tax, social security taxes, etc.), while the amount of goods and services consumed by individuals and their families is determined by disposable income (total income minus deductions in terms of taxes and contributions).

Definitions

Real wage statistics are not basic statistics. They are derived from a combination of two types of basic statistics namely, wages and prices.

"Real wages" have been defined in the resolution adopted by the 8th International Conference of Labour Statisticians (ICLS) in 1954, as "goods and services which can be purchased with wages or re provided as wages". This definition establishes a useful basis for the computation of real wages and their comparison from one period of time to another and between one country and another.

The real wage index is the relation between the nominal wage index and the corresponding consumer price index.

Occupational wage and job earning indices (KILM 16)

The indicator looks at trends in and differentials between, occupational wages (that is, wage rates or earnings) in specific industry groups. It has been established that information on individual wages is much more interesting for analysis than that on general wages which covers several or all professions within a given industry.

Job earnings are wages in cash or in kind paid to employees, as a rule at regular intervals, for time worked or work done, together with remuneration for time not worked such as for annual vacation, other paid leave or holidays. It comprises elements of wages which are generally received regularly before any deductions by the employer for purposes of employee contributions to social security schemes and pensions, life insurance, trade union contributions and all other obligations of employees.

The following elements are, however, excluded:

- employers' contributions in respect of their employees, paid to social security and pension schemes;
- benefits received by employees under these schemes;
- labour painfulness allowances and severance pay;
- irregular allowances such as end-of-year allowances or other periodic allowances which accumulate over a period of time longer than the period of payment.

Hour costs (KILM 17)

This indicator looks at the levels, trends and structure of the hour costs paid by employers to manufacturing production workers.

Expenses incurred by employers are either direct, as total gross earnings, or indirect, as contractual and compulsory employers' contributions to social welfare, insurance schemes and benefits plan for their employees. This last group of benefits is generally known as "non-wage benefits". Its equivalent, as concerns employers' expenses, is known as "non-wage costs".

4.1.6 Indicators of labour productivity and unit labour costs (KILM 18)

Productivity is defined as output per unit of labour input; while unit labour cost is meant the labour cost per unit of output. Total labour compensation includes not only employee gross salaries and wages, but also other costs of labour paid by the employer, including employers' contributions to social welfare and pension schemes.

4.1.7 Indicators of labour market flows (KILM 19)

Statistics of labour market flows do not simply describe the trend in the number of persons in situations and characteristics of groups of the active population. They also describe the experiences of individuals on the labour market over the reference period: those who have changed jobs, lost a job and have become unemployed, have come out of unemployment, have left the labour market.

These statistics are used to determine to what extent unemployed persons find jobs or retire from the labour market, be it as a result of employment "flexibility" (professional mobility) or exclusion from employment, facts which are evidenced by changes in the structure of employment.

4.1.8 Indicators of poverty and income distribution (KILM 20)

The value of measures of poverty and income distribution lies in the information that they provide on the results of the economic process at the national level, as a reflection of the access by various groups to goods and services. Therefore, information on poverty should indicate the absolute number and the proportion of the population whose income and consumption levels are abnormally low.

Poverty is partly linked to the performance of the labour market. Thus, the development of employment is often accompanied by a reduction in poverty, especially if real wages and productivity also increase. So poverty and inequalities must be thoroughly studied in relation to employment, unemployment and underemployment as well as in relation to wages, level of educational attainment and productivity.

Recent studies on the concept of "poor workers" – defined as the proportion of employed persons living below the poverty line – have shown that unemployment is generally low in countries where the rate of poverty is high.

4.2 Types of data

Computation of key indicators of the labour market requires the availability of primary data. These data are generally classified into two big categories, namely basic statistics on labour and other statistics that helps to better understand the analysis of LMI.

4.2.1 Basic labour statistical data

Basic labour statistical data relate to the labour force and job-related earnings. The labour force in a given reference period is composed of all persons who provide ready manpower for the production of goods, commercially-traded services and non-tradable goods, as defined by the United Nations system of national accounts (SNA-93).

Basic data on the labour force

Depending on set objectives, the current labour force may be calculated over a short period (one day or one week) or the habitual labour force over a longer period (one year). Information will be collected on the socio-demographic characteristics of individuals (sex, age, level of education, etc.), on employment and employment situation, under-employment, unemployment and on the situation of job-seekers, the inactive population and the reasons for the inactivity.

Basic data on job-related earnings

There are two categories of jobs: independent jobs and salaried jobs.

Salaried jobs

To measure wage income, the basic data to be collected are as follows:

- direct wages and salaries, in cash or kind;

- regular allowances and bonuses;
- job-related social benefits;
- number of working hours (effective or habitual) ;
- number of work days per week or per month.

Independent jobs

Independent jobs are those held by persons working for themselves or employees in sole proprietorships in the private sector, whether formal or informal. The earnings of this category of workers is equal to the value of production less operating costs, after deduction of the cost of inputs used.

Thus, to determine the earnings of independent jobs, the following data will be required:

- sphere of activity;
- value of production ;
- value of intermediate consumption;
- operating costs (water, electricity, telephone, wages of dependent workers, other costs) ;
- value of fixed and movable capital;
- amortization of capital.

4.2.2 Other labour-related information

To analyse labour market dynamics, the following data may be collected:

- job applications received by both national employment and private placement agencies;
- characteristics of job-seekers ;
- job offers in both public and private sectors;
- job placements ;
- characteristics of applicants placed;
- further training for professional qualification
- businesses set up ;
- closures of businesses and job losses;
- labour legislation and social security;
- social dialogue;
- labour statistics for gender analysis.

Apart from such data that must be collected for periods of less than a year, it is also important to have data that would help in the analysis of the economic and political situation of the country. For developing countries especially, data on the informal sector and rural development should be on hand for it will help in achieving a better understanding of how the labour market operates.

4.3 Data collection methods

Labour market statistics can generally be obtained from four main sources: administrative registers, household surveys, business surveys or joint surveys.

4.3.1 Collection of current data from administrative services

Labour statistics obtained from administrative registers and files are used mainly to evaluate and follow up (i) the productivity and efficiency of administrative systems, and (ii) action plans, organizations and results.

Statistics obtained from administrative records of the Ministry in charge of labour and other bodies (Ministry in charge of the interior, Ministry in charge of finances, etc.) relate to a wide range of specific domains, including:

- wages;
- working conditions;
- unemployment;
- vacancies;
- social dialogue ;
- industrial accidents;
- work permits for foreigners;
- projects of enterprises approved under the Investments Code and their recruitment plan;
- etc.

The biggest advantage of resorting to administrative sources is that it is the least costly means of obtaining information. Furthermore, information on job-related wages and incomes is generally reliable when collected from government services or the private sector.

However, drawbacks abound. Indeed, as the purposes for which government services produce these statistics are not necessarily identical to those sought in a labour market analysis, problems are often encountered at the level of the definition of concepts. A second disadvantage is the data presentation format. Generally, the breakdowns or listings are specific to the needs of the administration and such lists cannot be standardized. A last significant drawback is that data collected from administrative sources does not cover all areas.

Thus, when the option is taken to collect data from administrative records, it would be necessary to meet the officials to discuss with them the contents of their data collection sheets. In which case, it would be advisable to observe the under-mentioned best practices on the use of administrative data:

- harmonize definitions with those used by other LMI sources, in order to guarantee the comparability of statistical data;
- define concepts and units standardized at national level for LMI production;
- supplement administrative data systems with regular and specific surveys and studies with the aim of obtaining more complete information to be included in current data.

4.3.2 Household surveys

Household surveys are the most rigorous method of collecting data on the labour force and labour market. They are addressed to the population directly concerned by the issue of employment and

economic production. However, data formatting constraints here are not as strong as for administrative records.

Its disadvantages are numerous though. Data collection is costly while data on job-related wages and incomes is doubtful. Moreover, given the frequency of their implementation in developing countries, household surveys provide information that is more suited for situational analysis than for a dynamic analysis of the labour market. Other complementary sources are therefore necessary to guarantee the reliability of income statistics and to constantly have information on the evolution of the labour market.

Household surveys make it possible to obtain data on:

- the economically active population (earnings, working hours, economic activities of children, post-training work experience, unemployment, under-employment) ;
- informal sector activities;
- household incomes and expenditure;
- other issues concerning households.

Information on the demand for manpower for specific professions and on changes in their content must be assembled using data obtained from several sources. For example, during the general population census, basic data on professions is collected concurrently with other demographic data and labour market information. These are then subjected to **forecasts** in order to show how the current situation of the labour market will have changed in future in the different sectors of the economy.

As the unit of observation in monitoring studies is the individual, this type of survey may consequently be likened to a household survey. Information concerning the transition from school to active life, which indicates the employability and career opportunities of the youth entering the job market, may be obtained through monitoring of students. In some cases, longitudinal researches are carried out to track the movement of a given group of certificate-holders or drop-outs to understand their moving towards or away from different types of jobs over a given period of time.

The work undertaken by various international organizations to encourage countries to design regionally and internationally comparable indicators for labour market activities should help the officials to more easily **use** labour market information systems and to come up with **realistic definitions**, for example, of **manpower, employment and unemployment**.

To measure labour market trends through household surveys and population censuses, a number of concepts related to labour force are used, especially the labour force framework, the reference period and unemployment. These concepts are briefly explained below.

The main tool used in measuring the labour market during household surveys is the **labour force framework**. The central concept of this framework is *manpower* or current labour force, which gives an estimation of the supply of manpower at a given point in time.

A second method of classification of persons into exhaustive mutually-exclusive categories consists of studying the *habitual situation in the activity* of the population of working age.

4.3.3 Business surveys

Business surveys provide the most reliable data on wage-earning employment, working hours, wages, cost of manpower and labour productivity. They may also provide useful information on training needs and working conditions, some of which can be collected during specific surveys on wages and working conditions.

Information on trades that are phasing out or emerging as a result of technological developments and structural changes in a given economy may be collected:

- during the compilation of **operational dictionaries on trades and jobs (DOME)**, considered as one of complexes business survey ;
- during the design or updating of training programmes by training institutions, in consultation with industry experts;
- through special studies seeking this particular type of information.

The capacity to conduct such surveys depends on the availability of an exhaustive and updated list of businesses. Unfortunately, such lists are generally limited to small businesses.

4.3.4 Joint surveys

Joint household/business surveys[1] can be considered as the most direct means of describing labour market situations which depart from the regular full-time employment pattern. They comprise two phases: a household survey (generally, the employment survey) and a business survey.

The principle is to use the first phase to create a business sample base. The businesses are selected based on clearly defined criteria. In the second phase, the proprietors of businesses are interviewed to obtain from them information on their characteristics as well as those of their activity and employees.

These types of surveys facilitate the targeting of data to be collected (using criteria applied in the first phase of the survey) and the collection of detailed information enabling the differentiation of data (during the second phase) for the formulation of policies. This information concerns actors of the labour market who do not have a regular full-time job.

Nevertheless, joint surveys encounter the same difficulties as household surveys when it comes to applying the labour force framework and also require that data be differentiated to address the heterogeneity of the different categories of the labour force framework.

[1] Like employment and informal sector surveys

CHAPTER 5: DATA ANALYSIS AND DISSEMINATION

5.1 Data analysis

5.1.1 Objectives and principles of data analysis

The communication strategy is capital for a proper analysis of the data. Analysis is primarily aimed at breaking down, sequencing and summarizing data so as to obtain answers to questions and to test hypotheses formulated on certain variables. In this process of transforming data into useful information, four objectives are pursued, namely:

- To summarize or pack data so that they become meaningful descriptions of a phenomenon;
- To conceptualize the phenomenon under study in a real life picture;
- To communicate statistics for policy, management and public opinion purposes;
- To extrapolate to the entire population findings collected from a sample of individuals.

Four types of data analyses can be identified:

Descriptive analysis

Descriptive analysis is the first step in any statistical analysis of data. Four types of indicators are examined under this analysis. They include measures of:

- relation such as ratios, proportions and indices;
- central value which includes the mean, the median and the modal value;
- Variability (frequency distribution, range and standard deviation);
- Distribution (chi-square statistics, etc..)

Deductive Analysis

Deductive analysis is a technique for generalizing to the whole population findings obtained from a sample. This analysis evaluates the behaviour differences between groups, using Student t-tests and variance analyses.

Associative Analysis

Associative analysis is an evaluation method for relations between variables. The relations under study may be linear or non-linear. The tools of analysis are contingency tables and correlation matrixes.

Predictive analysis

Predictive analysis is a technique for extrapolating events observed in the past into the future. For instance, if the unemployment rate of a given country was 20% in 2006, what will it be in 2011? It generally involves a survival analysis the phenomenon, based on the calculation of the probability of its occurrence.

Predictions are based on the relation between variables, established either in a regression analysis or a time series analysis.

5.1.2 Analysis of labour market information

The aim of this analysis is to quantify and qualify the functioning and trends on the job market or to monitor employment policies. The principle consists in identifying problems, explaining the causes and proposing possible solutions. This analysis uses descriptive and explanatory statistical methods.

For this analysis to be effective, it is recommended to arrange the data, which is the raw material here, by categories, sizes and groups, to aggregate them and subject them to more or less complex statistical manipulations.

Indicators to be calculated include:

- percentages, means, rates and quotients;
- growth rates and variations in growth rates;
- frequency distributions;
- contingency tables based on variables such as gender, age and level of education, etc.;
- elasticities;
- correlations and regressions.

Other interesting tools of analysis include graphs such as histograms, linear curves and aggregates.

5.2 Types of publications

At the present stage of the LMIS in beneficiary countries of the LMIS-AFRISTAT Project, three types of publications are recommended, namely: the technical report, the labour market periodic information bulletin and the annual situational analysis. These publications are described below. However, with regard to the last two, only non-exhaustive lists of recommended themes are presented. Additional themes may be incorporated according to the development level of the system.

5.2.1 Technical report

The technical report describes the statistical aspects of each data source (range, span, production frequency, classifications, definitions and concepts, methodology, known limits on the statistics, compatibility with other data sources). It should comprise a copy of the questionnaires and forms used in preparing the report.

It may be produced episodically (about every five years) and should be revised and published anew, in case of a change in the administrative or statistical system. The report should be sufficiently detailed to cover all data systems compiled by the LMIS.

5.2.2 Labour market periodic information bulletin

A quarterly or bi-annual bulletin of all relevant information on the labour market should be compiled, in the form of a summary of noteworthy results from various sources. This publication, in principle, is based on current statistics, of a cyclical nature and should not contain important volatile statistics

(especially unemployment rates) which will be incorporated into the annual situational analysis. The textual comments in this broad-range publication should target both the public at-large and analysts of employment policies. A non-exhaustive list of themes likely to be published in the bulletin is presented below.

Economic data

- consumer price indices (CPI)
- industrial production indices (IPI)

Manpower Demand

- number of employment possibilities (job offers)
- forecasts of employment possibilities

Manpower supply

- number of job seekers
- number of job seekers per previous job (profession and experience)
- number of job seekers by job preference (profession)

Indicators of correlation between manpower demand and supply

- Number of job seekers placed

Social dialogue

- Number of conflicts resolved/unresolved, i.e. strikes and work stoppages
- Number of collective agreements reached
- Number of recognition agreements

Immigration

- Number of persons who have obtained a work permit by duration, employment (profession) and gender, level of education, country.

All of these statistics should be distributed by domain of activity, profession, status in employment and level of education; or according to geographic zone, urban/rural zone, gender and age.

5.2.3 Annual situational analysis

This is a complete description of the national (or sub-national) labour market within the economic context of a given country. The report provides a statistical series by data sources. It comprises a detailed analysis of findings, graphs and/or diagrams, as well as a brief description of the data collection methodologies. It is also necessary to produce an abstract of the key features of the principal characteristics for decision-makers and the media.

Limits in the production of a relevant situational analysis for the identification of policy issues are generally related to inherent shortcomings in data collection programmes and in information sources, including notably:

- limited coverage of administrative information;
- lack of manpower surveys on enterprises;
- irregular conduct of household surveys and of data collection on the informal sector.

The quality of a situation analysis may also be limited by a lack of quantitative data to appropriately describe the labour market. Generally, these limits are less restrictive in the formal sector than in the informal sector, including subsistence agriculture.

The primary cause of this situation is due to the fact that the situation analysis of the formal sector can draw from several information sources (business surveys, household surveys and government records). The use of several sources enables the adoption of individual measures and generally translates into a better situation analysis of the labour market. These possibilities are particularly more restricted with regard to data on the informal sector, due to the fact that data sources are essentially limited to household surveys, and to joint household and business surveys.

Secondly, the application of the manpower structure is subject to a number of limits, which are more difficult to overcome when the employment levels in the informal sector and in subsistence agriculture are significant.

Following is a non-exhaustive list of themes which can be considered in the annual situational analysis. All of these statistical categories should be broken down, where appropriate, by area of activity, profession, status in employment and level of education or according to geographical zone, urban/rural zone, gender and age.

Section 1: Overview

Country presentation

Poverty indicators

Section 2: Economic statistics

- Macro economic trends showing growth forecasts for various sectors (including the informal sector) broken down by region;
- consumer price indices (national and regional);
- summary of balance of payments;
- summary of State budget transactions.

Section 3: Demographic data

- Forecasts:
    - population distribution per region and district;
    - population density per district;

    - population per zone (urban and rural) ;
    - urban population by urban centre;
    - men: women ratio by age;
    - population by age group and gender.
- Migration trends

Section 4: Statistics on education and training

- Literacy rate by gender, age urban/rural zone;
- level of education by qualification and gender;
- number of primary, secondary, technical and vocational schools (including nursing schools) by school type (government/private);
- school enrolment rates by gender and school type;
- school enrolment rates by gender in primary, secondary and tertiary education;
- enrolment completing each level by age and gender and in terms of proportion enrolled;
- teachers in primary schools by type and district;
- teachers in secondary schools by type and district;
- dropout rate in primary education by level;
- examination results at the "*Brevet d'Etudes du Premier Cycle du second degré* (BEPC) " [secondary school leaving examination] and above;
- access rate to, and success rate at the final examination in technical and vocational education;
- number of graduates from technical and vocational institutions;
- government expenditures devoted to education;
- differences between regions for the preceding.

(To the extent possible, present the trend over the last three years).

Section 5: Costs and financing of the training system

- Unit costs of formal training provided at all levels, by the public sector, private institutions and the private sector (*intra-muros*);
- Analysis of capital costs, other fixed costs (insurance, calculated opportunity interests/costs), variable costs/recurrent expenditure by sector and region;
- Real or potential income from income-generating activities (training and production) in government and private institutions.

Section 6: Data on employment and labour market information

- Size of active population by gender and age, as well as its growth forecast, globally and by sector;
- population of all groups of migrant workers, and their origins by region;
- Indicators of participation in economic activities (activity rate by age, gender, region, and urban and rural zone).

Employment

- Employment by sector and region;
- Employment by modern and informal sector, and its projected growth;
- Employment by activity branch/sector, type of employment and gender;
- Employment by branch/sector, region and gender;
- Employment by branch/sector, level of education and gender;
- Employment indicators by age group and gender, by activity sector and branch, by region;
- Average number of hours worked per week by area of activity, job and gender.

Wages and earnings

- Average monthly earnings per area of activity, gender, job and region.

Unemployment and under-employment

- Employment projections by area of activity and profession;
- Number of unemployed persons by level of education, gender, age, region, urban/rural zone;
- Unemployment and under-employment indicators by age group, gender, sector and level of education, broken down by region and urban/rural zone;
- Unemployment levels among youths and under-employment by gender, urban/rural zone and region;
- Identification of training needs by sector.

Inactivity

- Characteristics of the inactive population by gender, age, urban/rural zone, region;
- Inactivity rate.

Section 7: Analysis of labour market policies

- Policies related to earnings and social benefits in the public/private sectors;
- Publics investments in industry and promotion policies and their impact on employment and demand for skills, by employment sector and category;
- economic liberalization policies and labour market structural adjustment policies;
- policies for promotion of technological development and their impact on employment, by category and gender;
- unemployment allowance and job creation policies;
- policies for the promotion of special groups employment (women, school dropouts, illiterates, unemployed youths, ethnic minorities, handicapped persons);
- labour market trends and their impact on future demands for skills, as well as their incidence on women employment.

Section 8: Manpower demand and supply

Demand

- Number of employment possibilities by level of education, profession, required experience, area of activity, gender and region;
- forecasts of employment possibilities by profession, level of education, gender, area of activity and region.

Supply

- Number of job seekers by gender, age, level of education, job preference (profession), previous employment (profession), experience and region;
- number of educational/training institutions by course offered;
- number of students enrolled by course, gender and region;
- expected results by gender, job title (profession), region.

Immigration

- Number of persons who obtained a work permit/visa by duration, profession, gender, level of education, country;
- number of persons who obtained a permanent resident permit by duration, profession, gender, level of education, country.

Manpower demand/supply indicators

- Number of job seekers placed by level of education, profession, industry, gender, region.

Section 9: Social dialogue

- Number of labour unions and employers' organizations by industry;
- number of resolved/unresolved conflicts, i.e. strikes and work stoppages by industry;
- number of collective agreements concluded by area of activity;
- number of recognition agreements by area of activity.

Section 10: Social security

- Number and characteristics of employees covered by the scheme;
- number and characteristics of beneficiaries;
- allowances paid.

Section 11: Informal sector

- Estimated number of jobs by type of commerce/activity (industry);
- estimated number of jobs by gender, type of activity and region;
- estimated average wage by profession, gender and type of activity;
- forecast of employment growth by business type and activity (industry).

Other types of reports may be considered, as the system improves.

5.3 Dissemination of data

Dissemination of LMIS products should be used as an advocacy tool. To that end, at least in the early stages of the LMIS, the presentation of reports should take place during a meeting involving high government officials, Members of Parliament, donors, etc., and the event should receive wide media coverage.

In addition, considering the technological progress in the various countries, it is necessary to increasingly move towards online publication of findings. The availability of this directly accessible data could exert additional pressure on the need to reorganize so as to provide findings promptly and regularly. The use of this means of dissemination will reduce distribution costs, improve the quality of services to the public and increase awareness on information. In that context, the creation and management of websites by the LMIS central body should be encouraged.

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