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Items for information

**Documents for the information of the Committee on
Statistics on item 6 of the provisional agenda****

Addendum

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Part I

International Labour Organization review of standards for labour force and work statistics¹

Australian Bureau of Statistics

Summary

The International Labour Organization (ILO) has commenced a process for updating the international standards for labour force and related statistics. This process will be concluded in 2013. Some of the proposed changes, including placing 'employment' within a conceptual framework for 'work' statistics, changes to the criteria for continued job attachment, changes to the reference period for unemployment, removal of the distinction between active and passive job search, and new statistics on unmet demand for employment, could have significant implications for Asia Pacific countries.

The Australian Bureau of Statistics (ABS) has become actively involved in the revision process and is concerned that Asia Pacific country views are well considered in this process.

As one of the two Asia-Pacific representatives at the upcoming Tripartite meeting (which is the next stage in the consultation process) the ABS would be pleased to hear the views of ESCAP countries on these issues. Alternatively, the ESCAP Committee of Statistics may wish to form a view, which could be taken by the ABS to the meeting.

I. Background

1. The current international standards for labour force statistics are set out in two resolutions and two guidelines from the International Conference of Labour Statisticians (ICLS); the *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment* (13th ICLS, 1982). The section on underemployment was updated by the *Resolution concerning the measurement of underemployment and inadequate employment* (16th ICLS, 1998). The associated guidelines are the *Guidelines on the implications of employment promotion schemes on the measurement of employment and unemployment* (14th ICLS, 1987) and the *Guidelines concerning the treatment in employment and unemployment statistics of persons on extended absences from work* (16th ICLS, 1998).

2. The International Labour Organization (ILO) has commenced a process for updating these standards through the Working Group on the Advancement of Employment and Unemployment Statistics (the working group), and a series of Regional Preparatory Meeting for the 19th ICLS. The Asian and the Pacific meeting was held in May 2012 in Bangkok. Further, the ABS, and a number of other countries in the region attended the 3rd meeting of the working group in September 2012. The purpose of that meeting was to examine and refine the preliminary draft revised standards,

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in particular to provide advice regarding: (i) key analytical measures and indicators to be highlighted in the revised standards; (ii) scope, structure and principal contents of the revised draft international statistical standards; and (iii) recommend revised terminology.

3. The next stage in the consultation process is the Tripartite Meeting of Experts on Labour Statistics on the Advancement of Employment and Unemployment Statistics, which will meet at the end of January 2013. Australia (in place of New Zealand) and the Philippines (from the Asia and the Pacific region) have been invited to attend this meeting. The purpose of this meeting is to assist the Office in reviewing issues relating to the statistical measurement of the economically active population, employment, unemployment and underemployment. The Meeting will discuss a proposed revised draft Resolution on these topics, which will be submitted for adoption to the 19th International Conference of Labour Statisticians, to be held in Geneva from 2 to 11 October 2013.

4. Australia has been active in contributing to the review process in the latter stages (since the regional meeting), and this engagement has highlighted the need for National Statistical Offices (NSOs) to continue to be actively engaged with this process in order to ensure that changes being proposed maintain the conceptual robustness of the previous standards, while being contemporary and reflecting the diverse labour market and broader work circumstances that exist.

5. There are a number of key areas proposed for change that the Australian Bureau of Statistics (ABS) felt should be brought to the attention of NSOs in the Asia and the Pacific region in order to ensure due consideration is given through the various consultation processes.

II. Nature of proposed changes

6. The nature of the proposed changes is quite varied, from some tightening up of some definitions, to rethinking the underlying conceptual framework for paid employment and work. The changes cover conceptual frameworks, employment, unemployment, persons not in the labour force, underemployment, unmet demand for employment (also thought of as broader labour underutilisation).

7. In the main, the proposed changes are a definite improvement to provide a more contemporary and relevant set of standards to underpin labour force statistics. However, there are a small number of proposed changes that are more significant in nature and these are described in more detail below.

8. Please note that not all the proposed changes are discussed in this paper, however a more complete list is included as an attachment.


A. Placing ‘Employment within a conceptual framework for ‘Work’ statistics


9. Employment would be one of a number of forms of work, as illustrated in the table below.


Conceptual framework of work statistics

Work*	Main Purpose	Activities contributing to production
Employment	Generate income	Within SNA production boundary
Own production of goods	Produce goods for own use by household	
Unpaid trainee work	Gain skills / experience	
Volunteer work - in market and non-market units - in households: producing goods for own use producing services for own use	Serve / benefit others	
Own production of services	Manage / care for own household	Beyond SNA production boundary, inside General production boundary

* Includes an additional category for "other forms of work" comprising work such as that which is legislated or mandated by the State.

 Employment - as defined for the production of labour force statistics, including measures of unmet demand for employment.

 Forms of work contributing to production within the SNA production boundary

 Forms of work contributing to production beyond the SNA production boundary, inside the General production boundary.

10. The main implication of adopting this framework would be a narrowing of the scope of employment to be just employment with a purpose to generate income, though removing the own production of goods to a separate category. This change would have very little impact in the majority of developed countries. However, this would have more of an impact in developing countries where work for own production of goods is a greater component of the economy, and would necessitate a complementary statistical collection program for own production of goods alongside that of employment (as newly defined).

11. For each of these forms of work there are two basic observation units, the job and the person, which are relevant for measurement of work. A person may have one or several jobs and in different forms of work. Multiple jobholding may exist within each discreet form of work. The frequency of collection and reporting of statistics on forms of work other than employment will need to be determined taking into account the importance of these forms of work within the national circumstances.

B. Absences from employment - criteria for continued job attachment

12. Currently there are four criteria in the standard to determine continued job attachment for people away from work: reason for absence; duration of absence; continued receipt of payment; and assurance to return to work. Application of these criteria is quite different across countries, as they tend to interpret them to suit the circumstances in their own country. The ABS currently primarily uses duration of absence (less than or longer than 4 weeks) and receipt of payment (for any part of the last 4 weeks) to determine continued job attachment. Reason of absence is collected, and

used as a sufficient criteria for some reasons, and the assurance to return to work criterion is only used for those on workers' compensation.

13. The preliminary draft resolution proposed to simplify these criteria, to focus on duration and reason of absence, given that for some reasons (eg own illness or injury; holiday, vacation or annual leave) reason alone should be sufficient to be considered to still have a job.

14. At the working group meeting there was extensive diversity of opinion for which criteria (from the old standard) had greatest strength in indicating continued job attachment. Australia argued the continued receipt of payment should be retained within the set of criteria, particularly from the employer side as they are continuing to make payment so would expect some return from the employee in the future.

15. There was no clear indication from the working group meeting how the next draft of the resolution will be worded in this area.

C. Unemployment - changes to reference periods

16. Currently in the standards to be unemployed a person must be without work in the reference week (week prior to interview), actively looking for work in the previous 4 weeks or month, and available to start work in the reference week. The proposal is to extend the 'availability' reference period to be the reference week and the following 2 weeks, with the justification that it may take people a little time to be able to start work upon finding a job, for example if they need to purchase clothing or equipment, make transport arrangements or make child care arrangements.

17. Extending this reference period would be a move away from the 'current' activity principle and being able to relate the labour force statistics to a specific point in time, in effect having a 6 week reference period to be unemployed (4 weeks job search prior to enumeration plus two additional weeks for availability), compared to a one week reference period to be employed. Further, it could be assumed that many people may start to make some of these additional arrangements during their period of looking for work, so there should not be the need to extend the reference period.

18. Australia is not in favour of this change.

19. Such a change in the reference period would most likely result in an increase in the unemployment rate from that derived in line with the current standard. In Australia information is available about those people not available for work in the reference week but but available for work within four weeks. If all of those people who were available within four weeks were also available within two weeks then this would result in an increase in the unemployment rate of up to 0.4 percentage points. The overall impact is likely to be less than this, but would be more than half of this group.

D. Unemployment - removal of distinction between active and passive job search steps

20. The preliminary draft resolution no longer contained a distinction between active and passive job search steps for a person to be considered unemployed. The current standard does not include in the list of job search steps 'looking in newspapers', which is considered a 'passive' job search activity, as without further job search steps it would not put a job seeker in

contact with a potential employer. The preliminary revised draft resolution does include reading newspaper or online job advertisements.

21. At the working group meeting there was also considerable discussion on this distinction, with more participants indicating that passive job search should be excluded, but there was still a divergence of opinion among the group.

E. Unmet demand for employment

22. There are proposals for a number of supplementary measures to complement the unemployment rate, in particular to capture some of those who with marginal attachment to the labour force. The proposal is to produce a measure of 'unmet demand (for employment)' which would comprise:

the unemployed
+
time-related underemployed
+
those not in the labour force (NILF), seeking but not available
+
those NILF, available but not seeking

and that these measures should be compiled and published with the same frequency and prominence as the unemployment rate.

23. While this would provide a useful measure, particularly for analysis in a social context, these groups of marginally attached are not exerting the same pressure on the labour market as the unemployed and underemployed. Therefore measures of these populations need not be as frequent as those to support macroeconomic policy such as the unemployment and underemployment rates.

24. The other issue that was discussed at some length at the working group meeting, and is yet to be resolved, is what is the most appropriate denominator to produce rates for such extended measures. The ABS preference is to use an extended labour force denominator, with a fall-back preference of the working age population. A further suggestion was to have the labour force as the denominator, however this population as a denominator does not make sense, as the numerator is not a subset of the denominator.

25. The intention is for the resolution to identify and specify a minimum set of aggregate measures that countries should compile, as well as a larger suite of supplementary measures. Australia would be supportive of the broader 'unmet demand for employment' measure to be a supplementary measure on a less frequent basis than the unemployment and underemployment rates.

III. Next steps

26. Australia will continue to promote the views presented in this paper at the Tripartite meeting of experts in January, and encourages other NSOs to continue to be engaged in the review process and seriously consider the changes proposed. As one of the two Asia-Pacific representatives at the Tripartite meeting, the ABS would be pleased to hear the views of ESCAP

countries on these issues. Alternatively, the ESCAP Committee of Statistics may wish to form a view, which could be taken by the ABS to the meeting.

27. The contact within the ABS is Ms Kirsty Leslie (kirsty.leslie@abs.gov.au), Director Labour Market Statistics NSC.

Annex

List of proposed changes to the ILO standards and guidelines

- Work statistics - place employment within a conceptual framework for work statistics, along with own production of goods; unpaid trainee work; volunteer work; own production of services; and other work. Definition of paid employment would be slightly narrower than currently.
- Scope and coverage - recognise two alternative reference populations - the resident population and the domestic population.
- Employment statistics - removal of the 'usual activity' model, focus to be on the 'current activity' model.
- Employment statistics - Age thresholds, guidelines for setting national lower age limit, recommend not to set upper age limit, desire to report in 5 year age ranges.
- Employment statistics -change in terminology from 'economically active/not economically active' to 'labour force/not in the labour force'.
- Employment statistics - tighten reference period to be 7 days or one week (remove option of 1 day reference period).
- Employment statistics - explicit reference to the 'one-hour' criterion and remove flexibility to have a higher cut-off for contributing family workers.
- Employment statistics - absences from paid work criteria to determine continued job attachment - aim to simplify the criteria with a focus on reason and duration.
- Unmet demand for employment (terminology to be finalised) - define a broader group that encompasses the unemployed, the underemployed (time-related) and those partially/marginally attached to the labour force (terminology to be refined)
- Unmet demand for employment (terminology to be finalised) - 'partial employment' defined as those people not in the labour force AND either
 - seeking work but not available OR
 - available to work but not seeking
- Unemployment statistics - people engaged in other forms of work than employment can still be classified as unemployed or not in the labour force.
- Unemployment statistics - extend reference period for the 'availability' criteria to be reference week plus 2 subsequent weeks.
- Unemployment statistics - update range of 'seeking' methods to reflect use of internet, and inclusion of some previously 'passive' job search methods.

- Unemployment statistics - remove the option to relax the 'seeking' criterion.
- Unemployment statistics - specify the order of the unemployment criteria for operational purposes - not working, then actively seeking, then available.
- Unemployment statistics - under discussion - setting a reference period for when a future job must start for 'future starters'.
- Persons not in the labour force - classify by 'degree of attachment', marginally attached (seeking but not available and available but not seeking), and not marginally attached (want to work but neither seeking nor available, don't want to work)
- Persons not in the labour force - classify by reason not in the labour force
- Persons not in the labour force - classify by main activity during reference week
- Persons not in the labour force - need to separately identify discouraged jobseekers.
- Aggregate measures - desire to have a core list of recommended aggregate measures as well as supplementary measures. What should be on these lists is still under discussion.
- Unmet demand for employment (broader labour underutilisation) rates - under discussion appropriate denominators for these broader rates.
- Other forms of work - operational definitions for other forms of work and identify the need to measure these other forms of work as part of broader program of labour inputs.

Part II

Importance of statistics for building resilience to disasters¹

United Nations Office for Disaster Risk Reduction

Summary

This paper illustrates the importance of disaster statistics and their standardization in triggering and supporting informed policy decisions by governments and other stakeholders to prevent human and economic losses against disasters and protect hard-won development gains.

It also seeks an active engagement of national statistical offices and related agencies in the consultation process to prepare the Post-2015 Framework for Disaster Risk Reduction that links closely with the post-2015 development agenda to ensure that the future frameworks adequately address statistics, data and information for their implementation and monitoring.

I. Why disaster statistics?

*“Access to information is critical to successful disaster risk management.²
You cannot manage what you cannot measure”*

Margareta Wahlström, Special Representative of the Secretary-General for Disaster Risk Reduction and Chief of the United Nations Office for Disaster Risk Reduction (UNISDR)

1. The UN General Assembly Resolution 59/212 calls upon member States, the United Nations and other relevant actors to address knowledge gaps in disaster management and risk reduction by identifying ways of improving systems and networks for the collection and analysis of information on disasters, vulnerability and risk to facilitate informed decision-making.

2. The Hyogo Framework for Action 2005-2015 (HFA) – the global blueprint for disaster risk reduction, adopted by 168 member states at the 2nd World Conference on Disaster Reduction – also stresses the importance of data and information in implementing its five Priorities for Action: (i) to provide evidence on the cost-benefit of disaster risk reduction (DRR) for governments to make it a priority; (ii) as imperative for disaster risk assessment and its use in development planning; (iii) for education and public awareness raising; (iv) to address the underlying causes of disasters; and (v) to strengthen disaster preparedness.

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² Disaster risk management is the systematic process to implement strategies, policies and improve coping capacity to lessen the adverse effects of hazards (such as flood, storm, earthquake) and the possibility of hazards turning into disaster including disaster prevention, mitigation and preparedness.

Disaster risk reduction is the concept and practice to analyse and manage the causal factors of disasters including reduce exposure to hazards, lesson vulnerability of people and property and wise management of land and natural resources.

3. Profile of affected population, based on baseline age- and gender-disaggregated data is critical to establish a clear picture of needs and priorities for relief operations in the first days and weeks of a disaster. Yet this information often takes weeks or even months to compile.

4. Post disaster information as a pre-requisite for decisions on investment in immediate recovery and rehabilitation as well as long-term reconstruction is often collected and controlled by many autonomous actors, leading to wasted resources, duplicated efforts and missed opportunities.

5. While hazard mapping is increasingly available, collecting data on exposure of people and property to hazards is not yet a common practice. Disaster losses are not fully accounted for, in public sectors but especially the usually under-reported losses by households and private sector. Despite the obvious adverse impacts of disaster losses on exacerbating poverty and jeopardizing the progress in achieving the MDGs, data is the main challenge to establish the fundamental links between disasters and the MDGs.

6. The Asia-Pacific Disaster Report “Reducing Vulnerability and Exposure to Disasters” (2012) provides compelling evidence on how disaster statistics and data could help increase understanding of disaster risk trends and determine priorities for better prevention, mitigation and preparedness:

(a) The increasing disaster risk in the Asia Pacific region is driven by growing exposure of its people and the rising economic assets.

(b) From 1970 to 2010, population in Asia and the Pacific almost doubled. In the same period, the average number of people exposed to yearly flooding more than doubled and populations resident in cyclone-prone areas grew from 72 to more than 120 million people.

(c) From 1970 to 2011, 75% of global disaster deaths happened in Asia Pacific.

(d) Disaster losses since 1980 increased by 16 times, while GDP per capita grew only by 13 times in the region. In 2011 alone economic losses in Asia Pacific were \$294 billion - representing 80% of the global losses worth \$366 billion.

(e) Valuation of ecosystem services and promoting their management for cost-effective reduction of disaster exposure, risk-sensitive spatial and land use planning, understanding global supply chains as crucial links for sustained productivity and using disaster recovery to prevent future risk are the primary conditions that the report emphasises as providing significant opportunities to reverse the risk trends in the region.

II. What can be done?

7. Disaster loss data is collected and reported in national statistics systems in a number of countries in Asia Pacific. Several countries through their National Disaster Management Agencies have started to establish a national disaster loss database (known as DESINVENTAR) and use it to model future risks. Standardizing approaches for data collection, recording and sharing will significantly enhance support for policies and decision

making in disaster risk management and broader socio-economic development.

8. Sharing disaster statistics through regional and global platforms, such as the International Disaster Loss Database EM-DAT and PREVIEW Global Risk Data Platform, will contribute to the analysis of regional and global disaster risk trends and knowledge on disaster risk reduction and management.

9. Existing national socio-economic surveys and/or sector statistics programmes provide great opportunities to collect data and information on the vulnerability of people, households and sectors, the long-term impacts of disasters and how risk reduction has benefitted resilient investment and sustainable development.

III. Towards a post-2015 framework for disaster risk reduction

10. As the current Hyogo Framework for Action heads towards its end in 2015, the UN General Assembly has requested UNISDR to lead the preparation of the Post 2015 Framework for DRR (post HFA). The HFA has been instrumental in embarking on a path of change that is now irreversible: global, regional and national efforts for disaster risk reduction and reinforcing resilience are increasing and international momentum for disaster risk reduction is currently at play whether in discussions and planning around sustainable development, climate change adaptation, the MDGs or more broadly public and private investment strategies. Disaster risk reduction is prominent in the outcomes of the Rio+20 Conference on Sustainable Development and there is also a case for pursuing greater leverage for disaster risk reduction as a part of development plans, goals, and targets in the successor to the MDGs, or the post 2015 development agenda.

11. The consultation process for the Post-2015 Framework for DRR was jointly launched by the Special Representative of the Secretary General for Disaster Risk Reduction and the Ambassador for Japan to the International organizations in Geneva in March 2012 with the aims to (i) Engage a wide range of stakeholders to actively participate and contribute to shaping the framework; (ii) Review success and lessons learnt, identify challenges and solutions to risk reduction and resilience building, especially at national and local levels and (iii) Deepen understanding and knowledge of issues imperative to making socio-economic development resilient to the impact of natural hazards. The principles guiding the consultation process are **bottom-up** - focusing on local and national consultations; **inclusive** – reaching out to communities, sectors and stakeholder groups that are not traditionally active in disaster risk management; **integrated** and **comprehensive**. **On-line dialogues** are also open to everybody at: <http://www.preventionweb.net/posthfa/dialogue/dashboard/plugin/page/home>.

12. The first draft of the Post 2015 Framework for DRR is expected to be deliberated at the 4th Session of the Global Platform on DRR in May 2013. The final draft would be endorsed at the 3rd World Conference on Disaster Reduction in early 2015 in Japan, followed by adoption of the UN General Assembly.

13. Initial consultations, including at the recent 5th Asian Ministerial Conference in Yogyakarta, Indonesia, in late October 2012 identified

priorities to be addressed by the Framework. It is essential that statistical agencies and related organizations engage in this process at all levels (national, regional as well a global) to discuss critical issues, including but not limited to the following:

(a) Role of statistics, data and information in filling the knowledge gaps for reducing disaster and climate risk as part of the socio-economic development

(b) Strengthening statistics and data required to address disaster risks, including transboundary disaster risks

(c) Priorities to strengthen statistics and information management systems that should be addressed in the Post 2015 Framework for DRR

14. The UNISDR and concerned UN agencies welcome the guidance of the Statistics Committee on the ways forward to address the above issues.
