



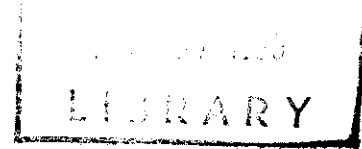
**UNITED NATIONS**  
**ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA**

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Distr: General  
E/ESCWA/STAT/85/WG.1/Bp.1  
Date : 30/10/1985  
Original: English

Regional Seminar on Population  
and Housing Censuses

30 November - 4 December 1985  
Baghdad



Application of the New International  
Standards on Measuring the Economically Active  
Population Employment and Unemployment in the  
1990 Round of Population and Housing Censuses

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Asia.

85-1206

APPLICATION OF THE NEW INTERNATIONAL STANDARDS  
ON MEASURING THE ECONOMICALLY ACTIVE POPULATION  
EMPLOYMENT AND UNEMPLOYMENT IN THE 1990 ROUND OF  
POPULATION AND HOUSING CENSUSES

(Paper prepared by the Bureau of Statistics, ILO)

1. The purpose of this paper is to discuss the main features of the new standards concerning statistics of employment, unemployment and economically active population with a view to facilitate their application in the 1990 round of population and housing censuses in the ESCWA member countries. These new standards are contained in the resolution concerning statistics of the economically active population, employment, unemployment and underemployment adopted by the Thirteenth International Conference of Labour Statisticians (ICLS) in 1982.

2. The aim of the new international standards is essentially to provide technical guidelines to all countries and particularly those with less developed statistics of economically active population and to enhance their international comparability. The new international standards replace the earlier standards embodied in the resolution concerning statistics of labour force, employment and unemployment adopted by the Eighth ICLS in 1954.

3. The resolution of the Thirteenth ICLS (1982) sets forth the objectives and scope of statistics of economically active population, the basic concepts and definitions, the principal classifications, certain particular topics of data collection and guidelines on the evaluation and dissemination of the results. The topics covered in this paper are:

- (i) Concept and boundary of economic activity,
- (ii) definition of employment,
- (iii) definition of unemployment,
- (iv) definition and measurement of economically active population,
- (v) the usually active population and the currently active population

The paper does not deal with the measurement of underemployment and other aspects of economically active population dealt with in the resolution of the Thirteenth ICLS (1982).

The concept and boundary of economic activity.

4. A clear understanding of the concept and boundary of "economic activity" is a fundamental requirement in the correct application of the definitions of employment, unemployment and economically active population in surveys and censuses. The concept and boundary of economic activity for the purposes of defining the economically active population are the same as in the United Nations System of National Accounts and Balances. Economic activity relates to production of economic goods and services which include " all production and processing of primary products whether for the market, for barter or for own consumption, the production of all other goods and services for market and in the case of households which produce such goods and services for market, the corresponding production for own consumption". The following table attempts to clarify the scope of the definition of economic activity.

TABLE

ACTIVITY	For market (or barter) only	For both market (or barter)and own consumption	for own consumption only
1	2	3	4
Production and processing of Primary products(1)	+	+	+
Production of goods and services in other sectors (secondary and tertiary sectors)(2)	+	+	-

+ Means the corresponding activity is considered as economic activity.

- Means the corresponding activity is not considered as economic activity

1- Agriculture, hunting, forestry and fishing as well as mining and quarrying ie. ISIC (1968) major divisions 1 and 2 and corresponding processing activities.

2- All other major divisions of ISIC (1968) except the part mentioned in 1. above.

5. It may be seen from col.4 of the table that production of goods and services solely for own consumption is treated differently according to whether the production is in the primary sector or non-primary sector. In the case of primary sector, the production for own consumption is treated as economic activity whereas in the case of non-primary sectors, the production solely for own consumption is not considered as economic activity. Thus, primary production activities such as producing vegetables, eggs and milk for own consumption or cutting firewood and making poles for own use as well as activities of processing primary products such as making butter, ghee and cheese for own consumption or weaving textiles, baskets and mats for own use are considered as economic activities.

6. Non-primary production and services which are solely for own consumption are not considered as economic goods and services. Examples of such production are storage, and transportation for own consumption, cooking food, mending and washing clothes, teaching own children, etc. These activities remain outside the boundry of economic activity.

#### Employment

7. The new international definition of employment contained in the the resolution of the Thirteenth ICLS is reproduced below:

(1) The "employed" comprise all persons above a specified age who during a specified brief period, either one week or one day, were in the following categories:

(a) " Paid employment":

(a.1) "at work": persons who during the reference period performed some work for wage or salary, in cash or in kind ;

(a.2) "with a job but not at work": persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job. This formal job attachment should be determined in the light of national circumstances, according to one or more of the following criteria: (i) the continued receipt of wage or salary ; (ii) an assurance of return to work following the end of the contingency, or an agreement as to the date of return, (iii) the elapsed duration of absence from the job which, wherever relevant, may be that duration for which workers can receive compensation benefits without obligations to accept other jobs.

(b) "self-employment":

(b.1) "at work": persons who during the reference period performed some work for profit or family gain, in cash or in kind;

(b.2) "with an enterprise but not at work" : persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason.

(2) For operational purpose, the notion of " some work" may be interpreted work for at least on hour.

(3) Persons temporarily not at work because of illness or injury ,holiday or vacation, strike or lock-out, educational or training leave, maternity or parental leave, reduction in economic activity, temporary disorganisation or suspension of work due to such reasons as bad weather, mechanical or electrical breakdown, or shortage of raw materials or fuels, or other temporary absence with or without leave should be considered as in paid employment provided they had a formal job attachment.

(4) Employers, own-account workers and members of producers' co-operatives should be considered as in self-employment and classified as "at work " or "not at work", as the case may be.

(5) Unpaid family workers at work should be considered as in self-employment irrespective of the number of hours worked during the reference period. Countries which prefer for special reasons to set a minimum time criterion for the inclusion of unpaid family workers among the employed should identify and separately classify those who worked less than the prescribed time.

(6) Persons engaged in the production of economic goods and services for own and household consumption should be considered as in self-employment if such production comprises an important contribution to the total consumption of the household.

(7) Apprentices who received pay in cash or in kind should be considered in paid employment and classified as "at work" or "not at work" on the same basis as other persons in paid employment.

(8) Students, homemakers and others mainly engaged in non economic activities during the reference period, who at the same time were in paid employment or self-employment as defined in subparagraph (1) above should be considered as employed on the same basis as other categories of employed persons and be identified separately, where possible.

(9) Members of the armed forces should be included among persons in paid employment. The armed forces should include both the regular and the temporary members as specified in the most recent revision of the International Standard Classification of Occupations (ISCO).

8. The new international definition of employment, though to a large extent similar to the earlier definition of employment adopted by the eight ICLS (1954), introduces certain elaborations which make it possible to measure employment more accurately and with greater refinement. The improvements in the new definition of employment include:

- (i) it draws a basic distinction between, paid employment and "self-employment" and suggests suitable criteria for each category;
- (ii) it specifies the length of time as one hour that a person should be at work during the reference week for classification as employed;

- (iii) it introduces the concept of "formal job attachment" to clarify the category "with a job but not at work" and to resolve the problem of statistical treatment of persons laid-off;
- (iv) it eliminates the minimum time criterion (1/3 normal working time) adopted in the past for unpaid family workers;
- (v) it clearly states that:
  - (a) apprentices who received pay in cash or in kind should be considered to be in paid employment,
  - (b) members of armed forces should be included among persons in paid employment and,
  - (c) students and homemakers and others mainly engaged in non economic activities during the reference period, who are at the same time in paid employment or self employment should be considered as employed on the same basis as other categories of employed.

9. There are two points to be clarified with regard to sub-para.6 of the definition of employment. It refers to persons engaged in the production of economic goods and services for own or household consumption in the primary sector only. As explained earlier under the concept and boundary of economic activity the production of goods and services for own consumption in the non-primary sectors (secondary and tertiary sectors) is not considered as economic activity. The sub-para.6 also says that they should be considered as in self-employment if such production comprises an important contribution to the total consumption of the household. The qualifying criterion of "important contribution to household consumption" needs to be interpreted appropriately in the national circumstances.

#### Unemployment

10. The new international definition of unemployment adopted by the thirteenth ICLS (1982) is reproduced below.

- "(1) The "unemployed" comprise all persons above a specified age who during the reference period were:
- (a) "without work", i.e. were not in paid employment or self-employment:
  - (b) "currently available for work", i.e. were available for paid employment or self-employment during the reference period; and

(c) "seeking work", i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at work sites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land, building, machinery or equipment to establish own enterprise; arranging for financial resources; applying for permits and licences, etc.

(2) In situations where the conventional means of seeking work are of limited relevance, where the labour market is largely unorganised or of limited scope, where labour absorption is, at the time inadequate, or where the labour force is largely self-employed, the standard definition of unemployment given in subparagraph (1) above may be applied by relaxing the criterion of seeking work.

(3) In the application of the criterion of current availability for work, especially in situation covered by subparagraph (2) above, appropriate tests should be developed to suit national circumstances. Such tests may be based on notions such as present desire for work and previous work experience, willingness to take up work for wage or salary on locally prevailing terms, or readiness to undertake self-employment activity given the necessary resources and facilities.

(4) Notwithstanding the criterion of seeking work embodied in the standard definition of unemployment, persons without work and currently available for work who had made arrangements to take up paid employment or undertake self-employment activity at a date subsequent to the reference period should be considered as unemployed.



(5) Persons temporarily absent from their jobs with no formal job attachment who were currently available for work and seeking work should be regarded as unemployed in accordance with the standard definition of unemployment. Countries may, however, depending on national circumstances and policies, prefer to relax the seeking work criterion in the case of persons temporarily laid off. In such cases, persons temporarily laid off who were not seeking work but classified as unemployed should be identified as a separate subcategory.

(6) Students, homemakers and others mainly engaged in non-economic activities during the reference period who satisfy the criteria laid down in subparagraphs (1) and (2) above should be regarded as unemployed on the same basis as other categories of unemployed persons and be identified separately, where possible."

11. The new international definition of unemployment introduces certain modifications and amplifications to the earlier 1954 definition. First, a standard definition of unemployment is laid down embodying three basic criteria, viz (a) "without work" during the reference period, (b) "currently available for work" during the reference period and (c) "seeking work" in a specified recent period (which could be longer than the reference period).

12. The first criterion - being without work - is complementary to the definition of employment. A person who satisfies the conditions of employment described in paragraph 7 should not be classified as unemployed even if the person is seeking some alternative or additional employment. In the framework of measuring economic activity using a brief reference period, employment gets priority over unemployment and unemployment gets priority over non economic activities like home-making, studying, etc.

13. The second criterion - currently available for work - is meant to identify, from among persons without work, those who are available for work as distinct from those not available for work during the reference period. When used in conjunction with the third criterion - seeking work - it serves to include from enumeration of the unemployed, persons who are seeking jobs to begin at a later date.

14. The third criterion - seeking work - requires a specific work - search activity for paid employment or self-employment. A mere declaration of intention by the respondent does not suffice. Sub para. 1 (c) above enumerates the kind of steps that could be taken by persons seeking work.

15. The 1982 resolution relaxes the condition of "seeking work" in sub para. (2) in order to accommodate the situation in less developed countries where the criterion of seeking work would not capture the full extent of unemployment. In applying the criterion of "current availability for work" it is important that appropriate tests should be developed to suit national circumstances.

16. The 1954 resolution of the eighth ICLS treated temporary or indefinite lay-off without pay as unemployment, irrespective of any other consideration. The new definition is, however, more restrictive in so far as it treats as unemployed only those cases in which no formal job attachment exists and the persons are currently available for work and seeking work.

#### Definition and measurement of economically active population

17. The "economically active population" comprises all persons of either sex who furnish the supply of labour for production of economic goods and services during a specified time-reference period. The definition of economic goods and service is the same as in the United Nations System of national accounts and balances which has been discussed earlier under concept and boundary of economic activity.

18. The resolution of the Thirteenth ICLS (1982) mentioned two useful measures of economically active population. They are the "usually active population" measured in relation to a long reference period such as a year and the "currently active population" or equivalently, "the labour force" measured in relation to a short reference period such as one week or one day. The recommendations of the thirteenth ICLS in this regard are reproduced below:

The usually active population

"(1) The "usually active population" comprises all persons above a specified age whose main activity status, as determined in terms of number of weeks or days during a long specified period (such as the preceding 12 months or the preceding calendar year) was "employed" or "unemployed".

(2) Where this concept is considered useful and feasible, the usually active population may be subdivided as employed and unemployed in accordance with the main activity."

The labour force (the currently active population)

"The "labour force" or "currently active population" comprises all persons who fulfil the requirements for inclusion among the employed or unemployed".

19. The 1954 resolution of the eighth ICLS was mainly concerned with the labour force approach which has been, since then, widely used to measure the economically active population. The introduction of the measure the economically active population. The introduction of the usually active population in the 1982 resolution is to provide a framework for measurement of economically active population when the aim is to obtain data reflecting a dominant pattern of activity and where there is a significant seasonal pattern of activities and where the data collection programme does not permit repeated measurements in the course of a year. When a year encompasses an entire agricultural and climatic cycle, the length of reference period for measurement of the "usually active population" should be preferably be one year.

Application of new standards in the 1990 round of  
population Censuses in ESCWA Countries

20. The forth -coming population censuses provide a vehicle to collect data on economically active population, employment and unemployment applying the new international standards recommended by the thirteenth ICLS (1982). One of the major issues to be resolved for measuring economic activity in a population census is the choice between usual activity approach and current activity approach.

