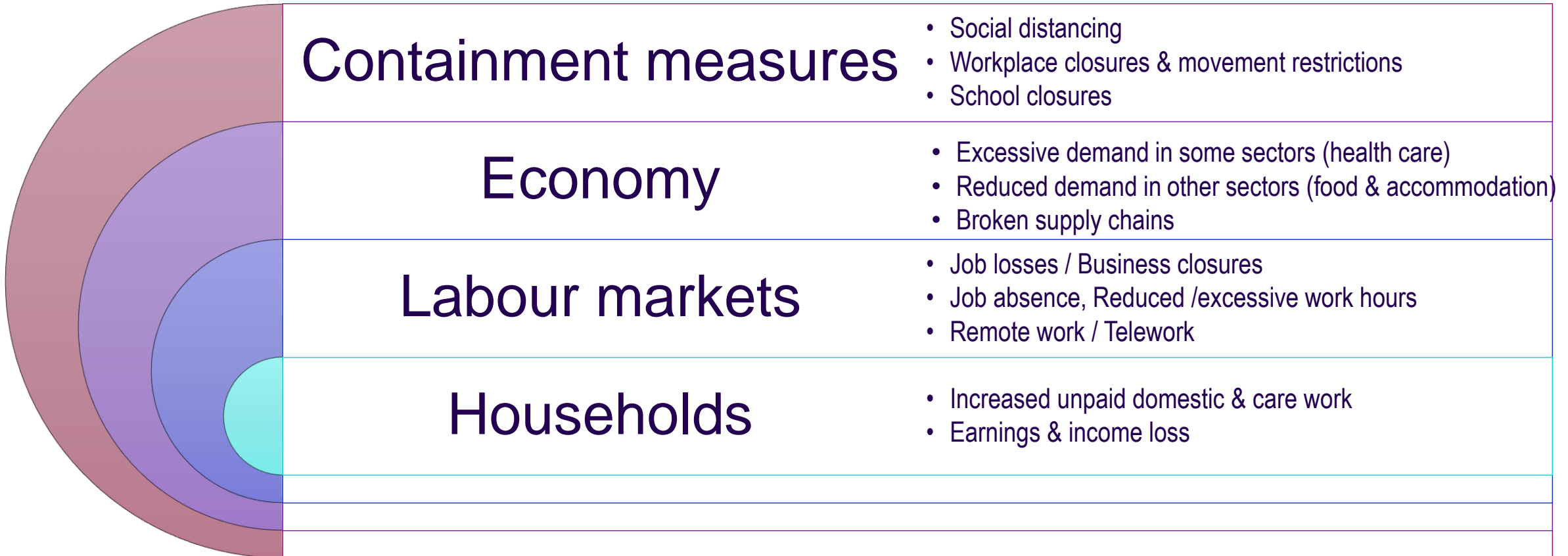




▶ Monitoring COVID-19 impacts on labour markets through Labour Force Surveys

Elisa M. Benes
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October 19, 2020



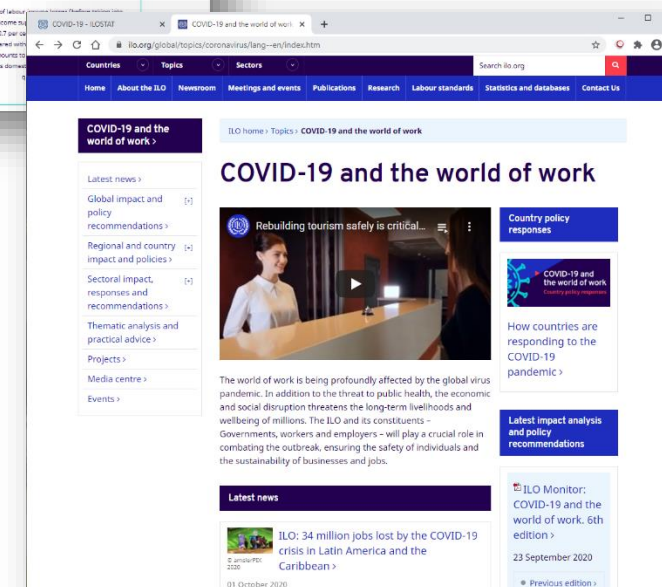
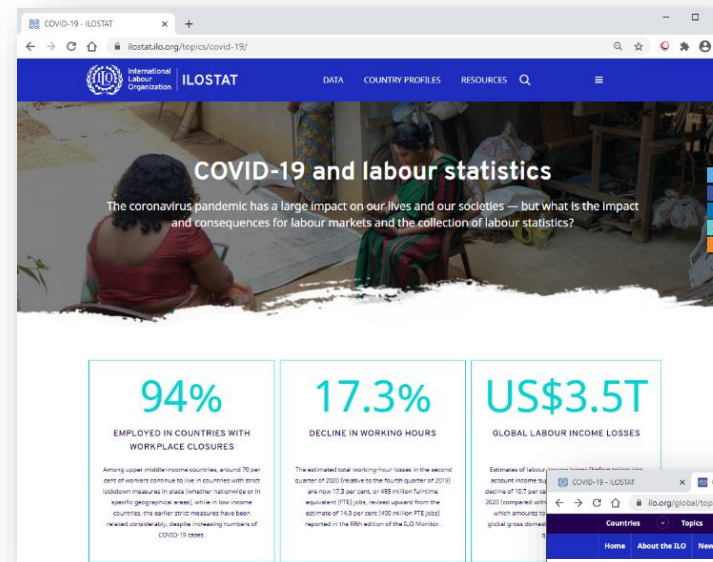
COVID-19 & labour statistics guidance

<https://ilostat.ilo.org/topics/covid-19/#guidance>

- Guidance to maintain LFS data collection
- LFS essential topics & treatment of special groups
- Modules for Rapid surveys on Paid and Unpaid work
- Defining & measuring remote work, telework, home-based work

ILO Monitor: COVID-19 and the world of work

<https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/lang--en/index.htm>



Minimal LFS topics to monitor labour markets during COVID-19

- **Labour force status**
- **Employment**
 - Employed, working +1 hours in reference week
 - Employed absent from work, reason for absence, expectation of return, continued pay
 - Selected characteristics: industry, status in employment, place of work
- **Hours actually worked among employed**
 - Reasons for change in hours worked
- **Labour underutilization**
 - Time-related underemployed, unemployed, potential labour force
 - Reasons for working less, not seeking or not being available for work
- **Recent job loss & reasons for job loss**
- **Receipt of benefits, *sources of income*****

Relevance of ICLS standards during COVID-19

- **Highly relevant, particularly for a wider set of indicators**
 - Work, Employment, Labour underutilization (19th ICLS, 2013)
 - Latest reference for labour force statistics
- **Maintain existing definitions & measurement to assess changes**
 - To enable comparisons over time (trends, impacts)
- **Some clarifications & new interviewer training may be necessary**
 - To handle growing uncertainty
 - New reasons impacting labour market outcomes
- **Include new topics that are becoming particularly relevant**
 - Telework, remote work, home-based work

Why extend the labour force classification? (19th ICLS)

Unemployment

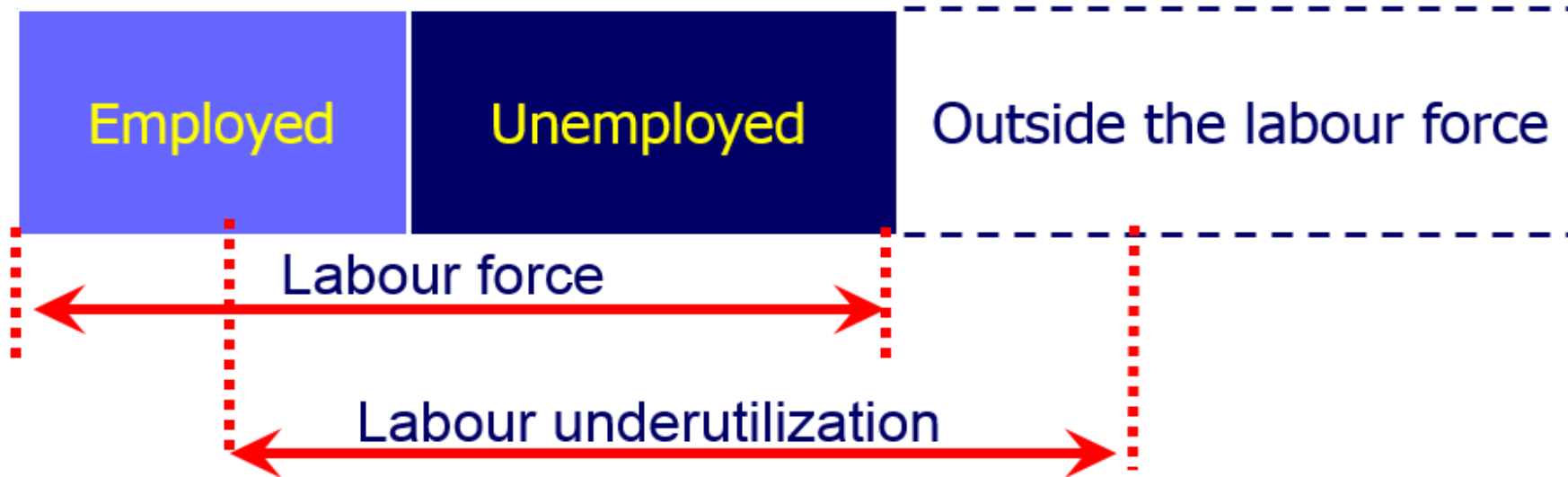
- Widely used as headline measure of labour market performance
- Highlights potential matches between **available labour supply** (people) and **available demand** (jobs) at a given point in time

Particularly relevant in contexts with

- Diverse labour markets (job opportunities)
- Channels for seeking jobs
- Safety nets such as unemployment insurance

BUT: Not sufficient to capture all groups with insufficient access to employment opportunities (work for pay or profit)

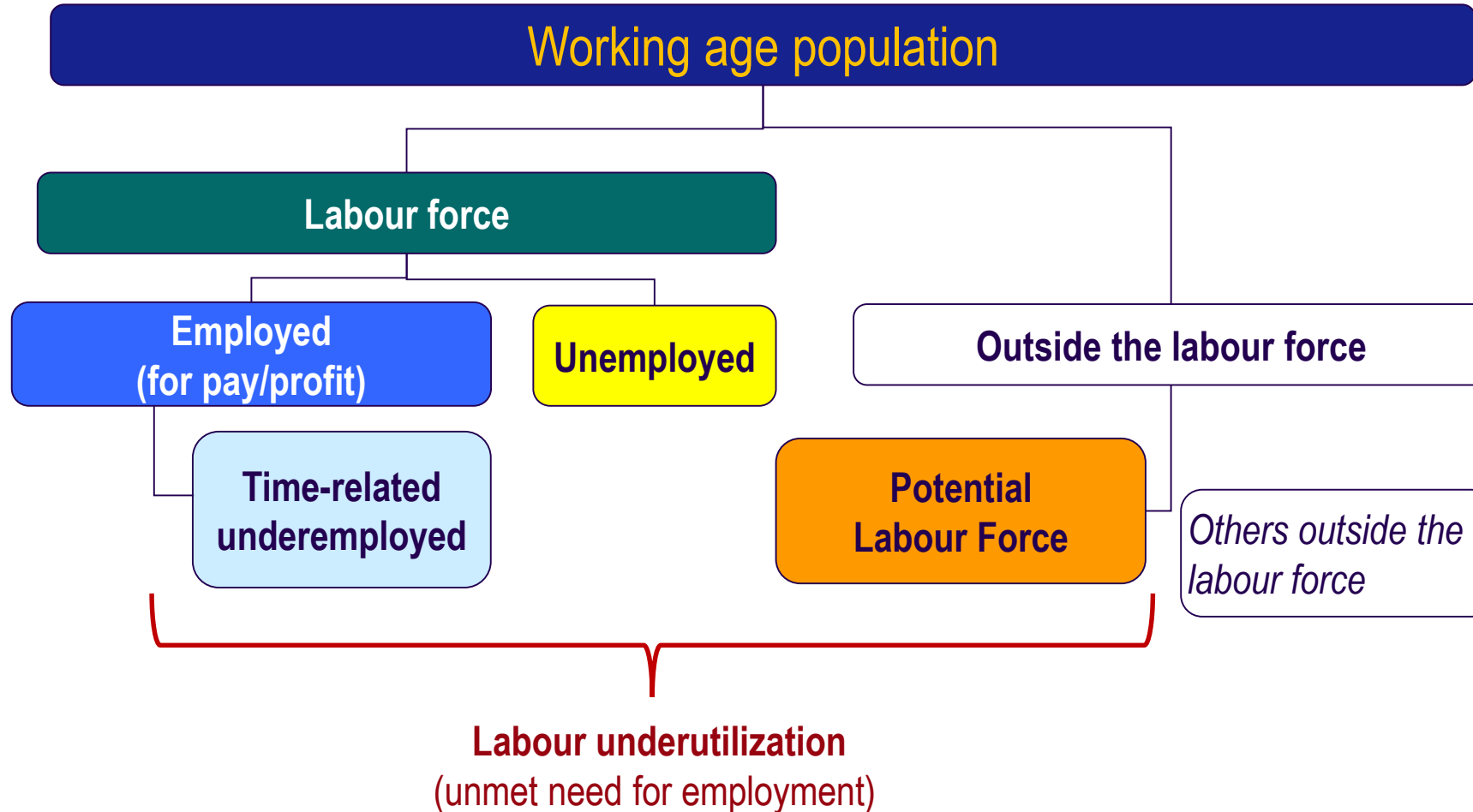
Labour Force & Labour underutilization (19th ICLS)



“To capture mismatches between labour supply and demand,
which translate into an unmet need for employment among the population”

Para 40, Resol I. (19th ICLS, 2013)

Labour Force & Labour underutilization (19th ICLS)



Components of labour underutilization

Time-related underemployed

Employed, but with insufficient working time

- ▶ Working less than X hours, wants and is available to work more hours

Unemployed

Not employed, but “currently available supply of labour”

- ▶ Actively seeking and available to work

Potential labour force

Not employed, but “potential supply of labour”

- ▶ Seeking, but not currently available to work
- ▶ Not seeking, but want and is available to work (incl. discouragement & other barriers –family responsibilities)

-Express interest in employment & put different levels of pressure on the labour market
-Focus on problems of labour absorption



Indicators of Labour underutilization (19th ICLS) ¹⁰

- Combines LU components
- To monitor evolution of impacts on labour market over time
 - Relevance of each component will depend on national context, policies implemented
 - Indicators may show different trends at different points during economic downturns

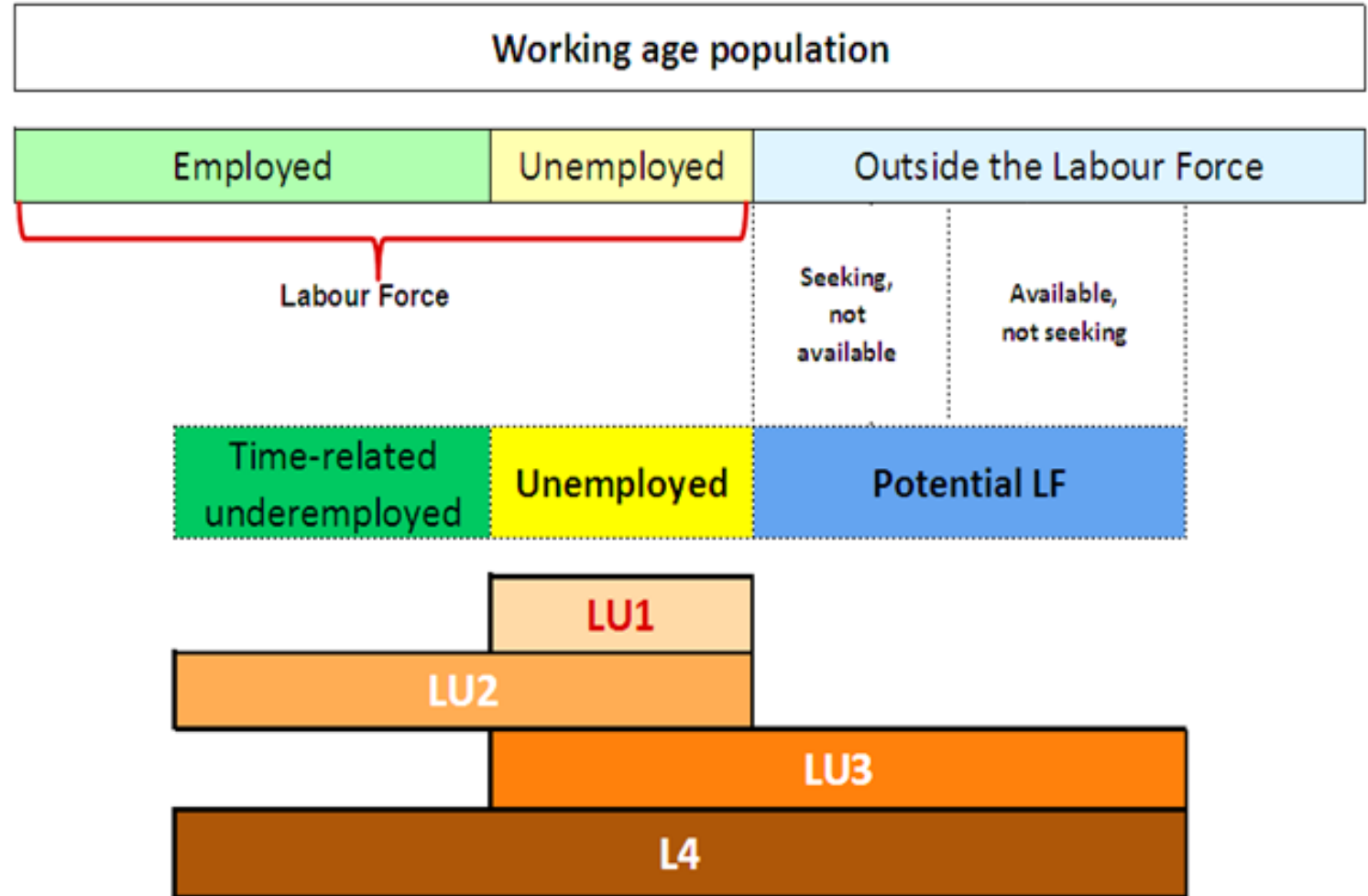
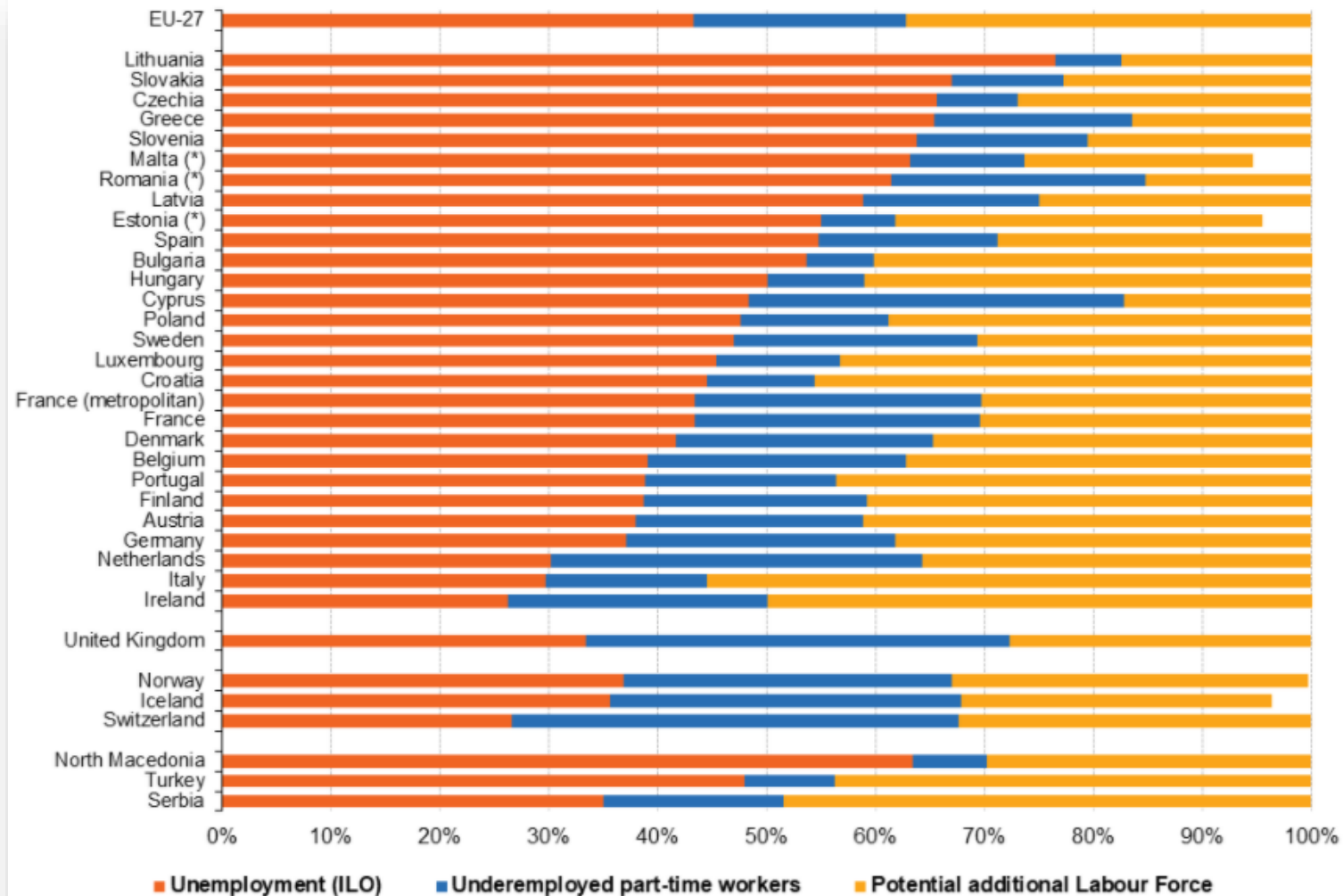


Illustration: Components of Labour underutilization, EU-27, 2020 Q2

Share of each LU component varies by country



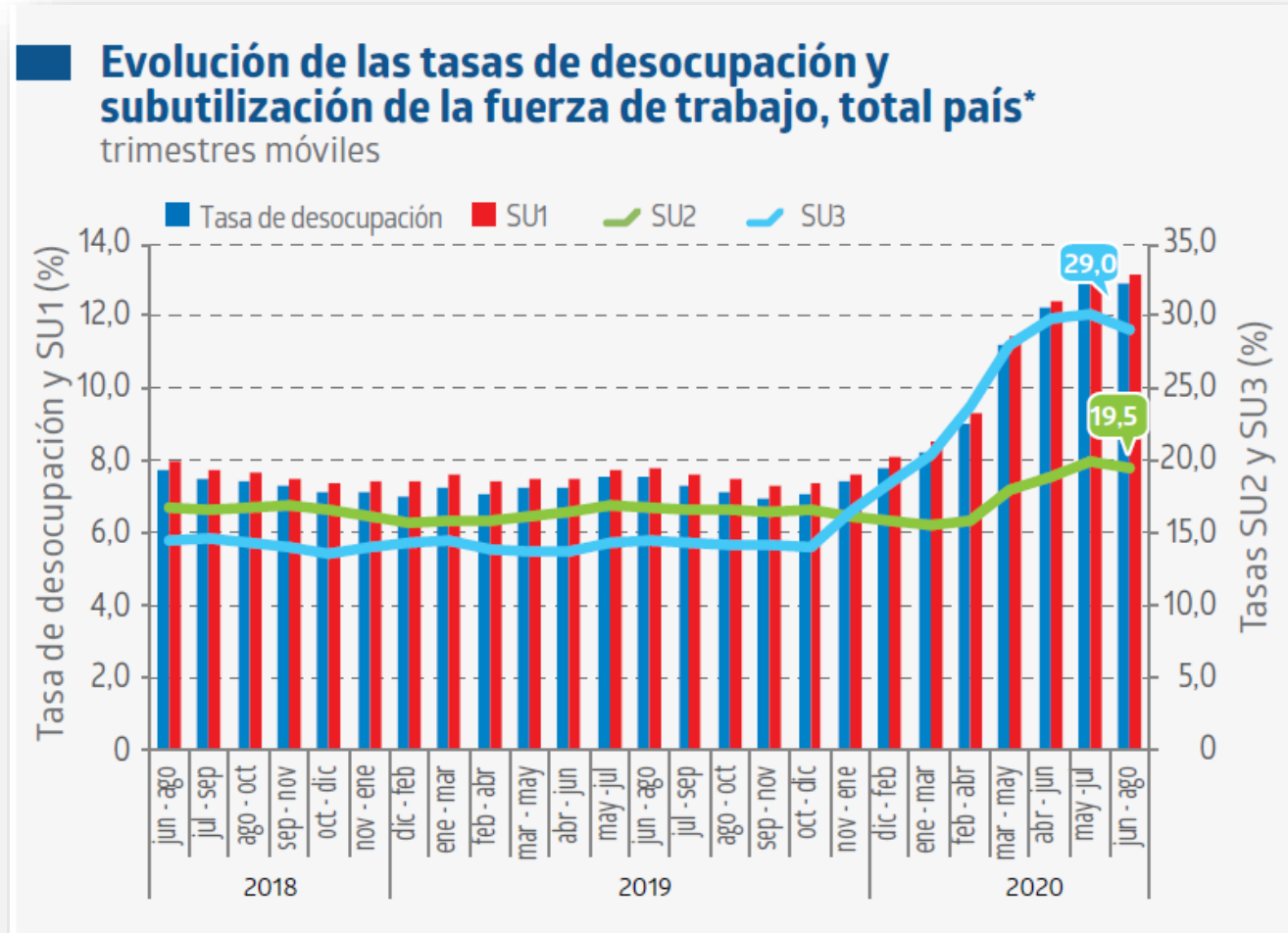
Note: (*) very low reliable data related to persons seeking work but not immediately available in 2020Q2 for Estonia, Malta and Romania. Low data reliability and provisional data are reported by country and by category in the attached excel file.

Source: Eurostat (data online code: ifsi_sla_q)

Illustration: LU1-LU3 measures of underutilization Chile, 2018-2020

LU indicators may follow different trends

- In Chile example
 - All show upward trend – unemployment (**SU1**) is not only issue
 - Less steep growth in time-related underemployment (**LU2**)
 - Sharpest increase in unemployment & potential labour force (**LU3**)



(*) SU1: Tasa de desocupación con iniciadores disponibles
 SU2: Tasa combinada de desocupación y tiempo parcial involuntario
 SU3: Tasa combinada de desocupación y fuerza de trabajo potencial

Illustration: COVID-19 impact as captured in LU1, LU3, LU4 U.S.A., Jan 2019- Sep 2020

USA example

- Sharpest increase in LU4
- Followed by LU1

LU1: Unemployment rate

LU3: Rate Unemployed + Potential LF

LU4: Labour Underutilization rate

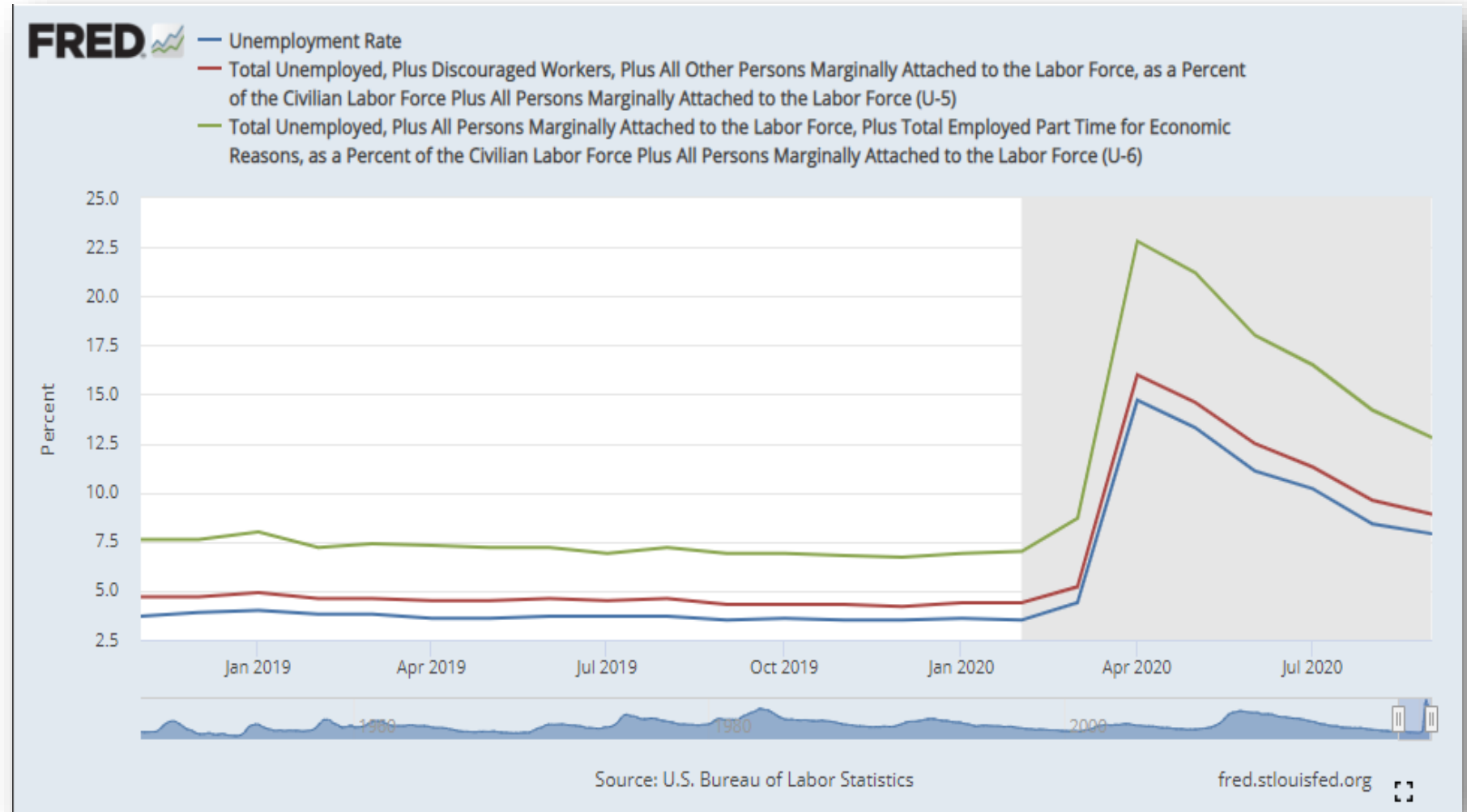
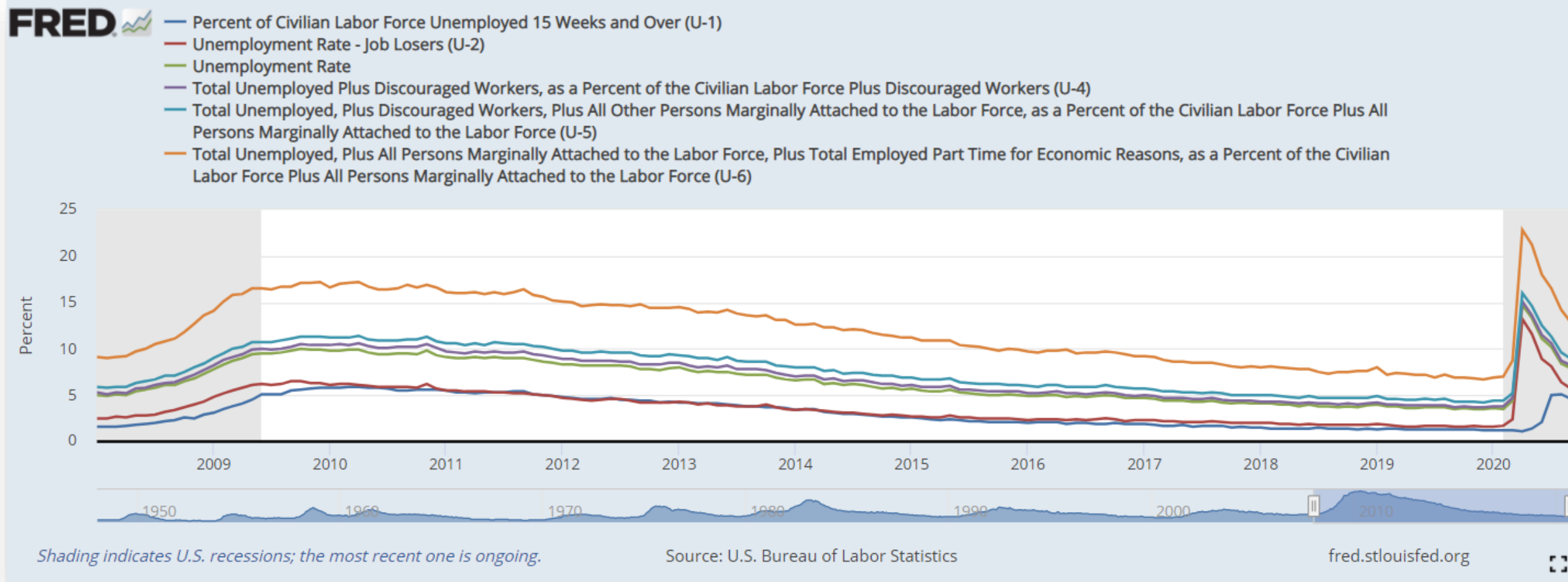


Illustration: Full set of US alternative measures of labour underutilization (U1-U6), Sep 2008- Sep 2020

Countries may specify additional LU measures, as per national relevance



▶ LFS questionnaire implications

Employment & labour underutilization: Essential topics

EMPLOYED

Employed, worked 1+ hours

Employed, absent

- Reasons
- Duration, expectation of return
- Pay during absence, source of pay

Essential main job characteristics

- Industry
- Occupation
- Status in employment
- Public/ private/ household sector
- Place of work (before COVID/current)
- Telework
- Formal / informal job
- Hours actually worked
- Reasons +/- hours (COVID/non-COVID)
- Want / available to work more hours

NOT EMPLOYED

Job search

Method of job search

Reason not seeking

Want to work at present

Availability to start employment

Reason not available

Previous employment experience

ALL

Lost job / business since [start outbreak]

- Industry
- Status in employment
- Duration since last stop work
- Reasons for job/business ended

Lost income since [start outbreak]

Sources of income

Receipt of government benefits

****New emphasis needed in some topics and criteria previously not captured in detail**

Handling uncertainty regarding absence from employment in LFS

- Strategy will depend on national circumstances & LFS system
- Essential to determine if person is to be classified as Employed or not
- Strategy should recognize time of return may be unknown. **Crucial to have evidence of continued job attachment (expectation of return) and continued pay (including partial pay) from employer during absence**

Box 2. Question on total duration of absence: New response

QX. In total, will (you/NAME) return to that same job/business within [3 months or less]?

1. YES → EMPLOYED
2. NO
3. NO, BUT EXPECTS TO RETURN ONCE RESTRICTIONS ARE LIFTED → EMPLOYED
4. UNSURE TO RETURN
9. DON'T KNOW [PROXY ONLY]

BOX 4. Clarifications for question on continued receipt of remuneration

QY. (Do/does) (you/NAME) continue to receive an income from (your/his/her) job or business during this absence?

(INTERVIEWER:

Include partial pay and pay expected in the future,

Exclude if income from other sources only –e.g. government benefits, other aid)

1. YES
2. NO
3. UNSURE
4. DON'T KNOW [PROXY ONLY]

Capturing “Reasons for ...» in LFS to assess COVID-19 impacts

- **Strategy will depend on context & LFS system**
- **Relevant for questions on reasons for**
 - Absence from job/business in reference week
 - Working more / less in reference week
 - Not seeking / not being available
- **Should capture economic and non-economic reasons**
 - Layoff, furlough, business closed, no demand, no supplies, no transport
 - Care responsibilities, illness
- **May require adding new response options and/or follow-up question**
 - Government lockdown
 - Was this because of the measures to contain the COVID-19?

Unpaid work: essential topics to monitor COVID-19 impacts

As short add-on module to LFS, other household survey or rapid surveys

Unpaid care & domestic work

- Self-perceived change in time-spent since outbreak (more than before, about the same, less than before)
 - Domestic work (separately capture by activity type)
 - Child-care (separately capture instructing/tutoring and other care)
 - Dependent adult care
 - For whom? (own-household / other family)
- Care responsibilities prevent employment?

Volunteer work

- Participation since outbreak
 - Direct volunteering, organization-based volunteering
- Type of volunteer work done
- Frequency of participation since outbreak

<https://ilostat.ilo.org/resources/lfs-resources/>

- Updated ILO model LFS questionnaires (PAPI/CAPI):
 - **Core LFS modules:** Demographics, Employment, Labour underutilization
 - **Add-on modules:** Volunteer work, Employment barriers for persons with disabilities, Occupation & skills mismatches.
- Alternative versions & guidance for national adaptation

