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Mainstreaming decent work in European Commission development cooperation

Toolkit



Guidance on monitoring employment
and decent work in developing countries

MAINSTREAMING DECENT WORK IN EUROPEAN COMMISSION DEVELOPMENT COOPERATION

TOOLKIT

**Guidance on monitoring employment
and decent work in developing countries**

International Labour Office

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Preface

The promotion of decent work, defined as “productive work in conditions of freedom, equity, security and human dignity”, as the main objective of the International Labour Organization, has become a widely shared goal of the international development community, particularly the European Union.

The European Union endorsed the Decent Work Agenda in the European Commission’s 2006 Communication *Promoting decent work for all – The EU contribution to the implementation of the Decent Work Agenda in the world* and refers to it in the European Consensus for Development, in the Agenda for Change and in a number of other documents.

In recent years the objective of decent work has been consistently highlighted in EU policy statements. The European Consensus on Development indicated that “the EU will contribute to strengthening the social dimensions of globalization, promoting employment and decent work for all” and that “the Community will promote decent work for all in line with the ILO agenda”. Various communications have also highlighted that the European Commission’s support for decent work is a means of promoting European values and a European model of development that combines economic competitiveness and social justice.

Developing and transition countries have endorsed the objective of decent work and have developed (or are in the process of developing) their own decent work strategies and programmes. Development and Cooperation–EuropeAid is actively helping to raise awareness and enhance understanding of decent work and employment concepts in EU delegations throughout the world.

This toolkit provides guidance for EU representatives and managers involved in country-level programmes and projects so that they can reflect employment and decent work concerns in their work. It can be an essential component of the capacity-building strategies of the Development and Cooperation–EuropeAid on employment and decent work related issues, in conjunction with two other tools produced under the EC/ILO *Monitoring and Assessing Progress on Decent Work* (MAP) project, the manual on *Decent Work Indicators* and the guidelines on *Assessing progress towards decent work at the national level*.

This toolkit is produced as a living and evolving resource to be updated and enriched with further feed-back received and new conclusions adopted on the measurement of employment and decent work.

Acknowledgements

This toolkit on mainstreaming decent work in European Commission development cooperation has been prepared with financial assistance from the European Union under the ILO/EC project on *Monitoring and Assessing Progress on Decent Work* (MAP).

It is based on the manual *Decent Work Indicators. Concepts and definitions* and on the guidelines *Assessing progress towards decent work at the national level*, both published by the ILO under the MAP project in 2012 and 2013, as well as on the experience gained in the countries covered by the project (Bangladesh, Brazil, Cambodia, Indonesia, Niger, Peru, the Philippines, Ukraine, Zambia).

Many people have been directly or indirectly involved in the production of this document. Our warmest thanks go to all the ILO officials and consultants who contributed to the aforementioned manual and guidelines and to all the national stakeholders and social partners in the MAP countries who took part in the project.

This toolkit has been prepared under the coordination of Naïma Pagès, Chief technical advisor of the ILO/EC MAP project, in close collaboration with the European Commission's Development and Cooperation-Euromaid Unit B3: Employment, Social inclusion, Migration.

Finally, special thanks go to Bob Drew for final editing and the Multimedia Design and Production Unit of the International Training Centre of Turin for the layout design and production of the guide.

Some statements made in the report may not reflect the positions of the institutions and individuals cited above. Any errors or omissions found herein are the sole responsibility of the International Labour Office and the European Commission.

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Introduction

Employment and decent work is central to efforts to reduce poverty and is a means for achieving equitable, inclusive and sustainable development. Decent work involves opportunities for work that is productive and delivers a fair income, provides security in the workplace and social protection for workers and their families and gives people the freedom to express their concerns, to organize and to participate in decisions that affect their lives.

Since the early 1990s there has been increasing recognition at the international policy level of the importance of employment and the promotion of decent work for sustainable development. The Decent Work Agenda developed by the ILO in 1999 and subsequently adopted by the United Nations system has further refined this goal, highlighting the fact that both the quantity and the quality of employment are essential for human well-being.

The Decent Work Agenda has been adopted by the UN agencies as well as by regional organizations as an integral part of a broader global development agenda focusing on a fairer globalization. The 2004 World Commission Report on the Social Dimension of Globalization identified decent work as a crucial element in efforts to assess the social effects of the global open market system.

In 2005 the inclusion of full and productive employment and decent work for all as Target 1.B in Millennium Development Goal 1 – “Eradicate extreme poverty and hunger” – explicitly acknowledged the central importance of employment promotion for the achievement of poverty reduction and sustainable development.

International endorsement of the decent work objective was also expressed at the 2005 World Summit, where Heads of State resolved to make the goals of full and productive employment and decent work for all “a central objective of our relevant national and international policies as well as our national development strategies, including poverty reduction strategies, as part of our efforts to achieve the Millennium Development Goals”. The 2006 Ministerial Declaration of the United Nations Economic and Social Council (ECOSOC) also underscored the importance of decent work and called for the whole multilateral system to mainstream the goals of full employment and decent work in their policies, programmes and activities. At the same time, the European Commission endorsed the Decent Work Agenda in various communications, particularly since 2006.¹

In the new framework of the post-2015 development agenda, the prominence accorded to the promotion of “inclusive and sustainable growth and decent employment”, as part of “transformative and mutually reinforcing actions that apply to all countries”, reflects the central role that decent work has to play in sustainable development.² Monitoring employment and the quality of jobs is also highlighted in current discussions, and in June 2013 an ILO-UNDP expert meet-

¹ See the European Commission's 2006 Communication *Promoting decent work for all – The EU contribution to the implementation of the Decent Work Agenda in the world* and various related documents available at: <http://ec.europa.eu/europeaid/what/development-policies/european-consensus/> and <http://ec.europa.eu/europeaid/what/social-protection/>

² See the United Nations Secretary-General's report “A life of dignity for all: Accelerating progress towards the Millennium Development Goals and advancing the United Nations Development Agenda beyond 2015”, September 2013.

ing, held in New York with the participation of the social partners, highlighted the need for an ambitious employment goal in the post-2015 agenda.³

Box 1. Millennium Development Goals on employment

MDG 1 Target 1B

“Achieve full and productive employment and decent work for all, including women and young people”

Employment indicators:

- 1.4 Growth rate of GDP per person employed (labour productivity growth rate)
- 1.5 Employment-to-population ratio
- 1.6 Proportion of employed people living below \$1 (PPP) per day (working poor rate)
- 1.7 Proportion of own-account and contributing family workers in total employment (vulnerable employment rate)

MDG 3 Target 3A

“Promote gender equality and empower women”

- 3.2 Share of women in wage employment in the non-agricultural sector

Given its leading mandate within the development agenda, the European Commission (EC) has a significant responsibility within this framework. Addressing all the employment dimensions of its mandate is therefore vital if it is to achieve its development cooperation goals.

While the ILO leads the Global Employment and Decent Work Agenda, the EC has a crucial role in promoting employment and decent work, specifically with respect to the quality of employment, including informal employment, in infrastructure, private development, rural development and other sectors. In this regard, monitoring and assessing progress towards decent work at the country level is an important concern for the EC.

The 2008 *ILO Declaration on Social Justice for a Fair Globalization* reaffirmed the commitment of ILO member States to promote decent work on the basis of four equally important strategic objectives: promoting employment, developing and enhancing measures of social protection (social security and labour protection), promoting social dialogue and tripartism, and respecting, promoting and realizing the fundamental principles and rights at work.

Monitoring and assessing progress towards decent work at the country level is therefore an important concern for the ILO and its constituents. Against this background, the 2008 ILO Declaration stipulates that ILO member States may consider “the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate the progress made” (Paragraph II.B.ii). In the past, countries have repeatedly called for ILO technical cooperation to support their efforts to monitor and assess progress towards decent work. At its 97th Session in Geneva in June 2008, the International Labour Conference adopted a reso-

³ See also the ILO post-2015 development agenda concept note on “*Jobs and livelihoods: Meaningful ways to set targets and monitor progress*”, disseminated to help lay the ground for the burgeoning discussion on concrete goals, targets and indicators, available at http://www.ilo.org/global/topics/post-2015/documents/WCMS_213209/lang-en/index.htm

lution on strengthening the ILO's capacity to assist its Members' efforts to reach its objectives in the context of globalization.

In September 2008 the ILO convened an international Tripartite Meeting of Experts (TME) on the Measurement of Decent Work, which adopted a framework for developing decent work indicators that was presented to the 18th International Conference of Labour Statisticians in December 2008.

The Monitoring and Assessing Progress on Decent Work (MAP) project for 2009-13, funded by the European Union, has worked with government agencies and employers' and workers' organizations to strengthen their capacity to monitor and assess progress towards decent work at the country level. The MAP project has supported nine countries (Bangladesh, Brazil, Cambodia, Indonesia, Niger, Peru, Philippines, Ukraine and Zambia) in collecting data and identifying and compiling decent work indicators. The compiled indicators formed the basis of national assessments of progress made towards decent work, in the format of Decent Work Country Profiles – an integrated analysis of all the dimensions of decent work, including qualitative information – which can be used to inform national programmes and policy-making on decent work. The project also provided guidelines and tools for measuring decent work and for monitoring and assessing progress on decent work at the country level.

This toolkit has been prepared on the basis of two important tools that have been produced by the ILO with MAP project support and from the experience gained under MAP project. The ILO manual *Decent Work Indicators. Concepts and definitions* focuses on concepts and definitions, method of computation, data sources, metadata and brief interpretation guidelines for each indicator. The ILO guidelines, *Assessing Progress on decent work at the national level*, provide guidance on analysing decent work indicators and preparing national assessments on decent work, including tips and suggestions to analyse both statistical and legal decent work indicators in an integrated approach across the ten aspects of the four dimensions of the Decent Work Agenda.

This toolkit is intended to be an important tool for European Commission development cooperation. It has been prepared for EU delegations primarily for the benefit of managers of development projects and programmes in sectors that are not necessarily focused directly on employment, such as those concerned with infrastructure, private sector development and rural development. It provides guidance for EU representatives and staff involved in national and regional programmes and projects for mainstreaming employment and decent work.

It aims to be a pragmatic and useful tool to help the EC mainstream employment and decent work in its development cooperation projects and programmes. First, it presents key decent work indicators as set out in the ILO global framework on the measurement of decent work that has been widely used in the MAP project and in countries all over the world. Secondly, it provides guidance on analysing the decent work indicators in an integrated approach, that ensures that the four decent work strategic objectives (employment, social protection, rights at work, social dialogue) are addressed together, and on analyzing the decent work indicators within the social and economic context and the legal and policy framework, and across different categories of workers.

PART

one two

Measuring employment and decent work



Chapter 1:

Measuring employment and decent work, why and how?

1.1 The Decent Work Agenda

What is decent work?

Decent work sums up the aspirations of people in their working lives. It involves opportunities for productive work that delivers a fair income, security in the workplace and social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, to organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men.

Box 2. The four pillars of decent work

1. Employment creation
2. Social protection
3. Rights at work
4. Social dialogue

Promoting decent work for all

Work is central to people's well-being. In addition to providing income, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress, however, hinges on work that is decent. Decent work sums up the aspirations of people in their working lives⁴.

The ILO has developed an agenda for the community of work. It provides support through integrated Decent Work Country Programmes developed in coordination with its constituents. Putting the Decent Work Agenda into practice is achieved through the implementation of the ILO's four strategic objectives, with gender equality as a crosscutting objective:

- **Creating jobs** – an economy that generates opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods.
- **Guaranteeing rights at work** – to obtain recognition and respect for the rights of workers. All workers, and in particular disadvantaged or poor workers, need representation, participation, and laws that work for their interests.
- **Extending social protection** – to promote both inclusion and productivity by ensuring that men and women enjoy working conditions that are safe, allow adequate free time and rest, take into account family and social values, provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare.

⁴ See <http://www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm>

- **Promoting social dialogue** – Involving strong and independent workers’ and employers’ organizations is central to increasing productivity, avoiding disputes at work, and building cohesive societies.

Box 3. The goal of decent work

The concept of decent work has been defined by the ILO and has become a widely shared goal of the international development community, particularly the European Union. This goal is **“to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity”** (Juan Somavia, *Report of the Director General*, International Labour Conference, June 1999).

Decent work within the international development agenda

To address all these dimensions in an integrated way, the ILO has developed the Decent Work Agenda, subsequently adopted by the UN System, ECOSOC, Presidential Summits and Head of State Summits in all regions, the European Union among others, as the basis for a more just and stable framework for a sustainable development.

The decent work concept is based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people, and economic growth that expands opportunities for productive jobs and enterprise development.

Decent work reflects priorities on the social, economic and political agenda of countries and of the international system. In a relatively short time this concept has forged an international consensus among governments, employers, workers and civil society that productive employment and decent work are key elements in achieving a fair globalization, reducing poverty and achieving equitable, inclusive, and sustainable development.

Box 4. Employment and quality of jobs in post-2015 development agenda discussions

There is growing interest in targets and indicators in the post-2015 debate.

It has been suggested that the effort to “transform economies for jobs and inclusive growth” should be a key element in the new agenda and, as Goal 8 of its illustrative goals and targets, proposed “Create jobs, sustainable livelihoods and equitable growth”.

The ILO has reviewed options for measuring progress in jobs and livelihoods based on the availability of indicators on employment, the quality of jobs, income inequality, social protection, working poverty, vulnerability and insecurity at work. It has concluded by suggesting the need for a significant investment in data collection and dissemination (see the 2013 ILO concept note 2: *Jobs and livelihoods in the post-2015 development agenda: Meaningful ways to set targets and monitor progress*).

The relevance of decent work in developing countries

Decent work is a concept that goes beyond the traditional employment/unemployment figures, which can be largely irrelevant in developing countries where the informal economy and the rural employment are prevalent. Hence people’s welfare does not only depend on whether or not people are employed but also on whether they receive adequate earnings and fair income, enjoy rights, have good working conditions, and access to social security.

The decent work concept is a comprehensive concept with important implications for understanding the situation of workers. The word “decent” connotes a need for minimum acceptable working conditions and therefore the need for indicators to measure the situation of the disadvantaged and poorest workers, including indicators that measure the extremes of distributions (such as underemployment rate, working poor rate, employed in excessive working time, employees with low-pay rate). “Work” thus implies a concern for all types of jobs and types of workers, including those in the informal sector.

Decent work carries both quantitative and qualitative aspects of work. It implies that one has to be concerned with both the legal framework and working conditions in a country as both are required to ensure “decency”.

The importance of measuring and monitoring decent work

Since the launch of the Decent Work Agenda by the ILO in 1999 and its adoption by the international development community, particularly the UN system and the European Commission, there has been much debate on how decent work can be measured and monitored in practice, since decent work is a wide-ranging concept with both quantitative and qualitative components.

In order to identify authoritative means of measuring national progress towards decent work, both in relation to poverty, inclusive growth and other developmental objectives and to ensure the methods used allow for international comparability, a global framework has been developed by the ILO.

Parallel with these efforts the ILO has engaged in collaboration with the United Nations Economic Commission for Europe (UNECE), EUROSTAT (the statistical office of the European Commission) and the European Foundation for the Improvement of Living and Working Conditions to develop a framework for the measurement of the quality of employment, which encompasses key elements of the Decent Work Agenda.

Box 5. Monitoring decent work into national policy framework

Following the recognition of the role of decent work in reducing poverty and towards economic development, monitoring decent work has become an important challenge.

The ILO developed decent work indicators that can be adapted to national circumstances and used to monitor:

- ➔ National development frameworks, including Poverty Reduction Strategies;
- ➔ National policies, including National Employment Policies, Social Protection Policies, and sectoral policies;
- ➔ Decent Work Country Programmes (DWCP);
- ➔ Other programmes not directly focused on decent work but that have an impact on it.

1.2 The ILO framework for the measurement of decent work

The ILO has worked on providing guidance on the main principles on which the measurement of decent work should be based. An international Tripartite Meeting of Experts on the Measurement of Decent Work was held in September 2008, following the adoption of the *ILO Declaration on Social Justice for a Fair Globalization*.

The Meeting provided advice and guidance on possible ways to measure decent work in all its dimensions. The global framework proposes a set of “main” and “additional” statistical indicators. The proposed statistical indicators were already common and widely collected indicators of the labour market and it was recommended that they be based on international statistical standards.

At the 18th International Conference of Labour Statisticians (November-December 2008), a working group on the measurement of decent work was set up comprising of representatives of 75 member States, of workers’ and employers’ groups and of international organizations. The working group discussed the indicators and emphasized the need to generate comparable, reliable and consistent data.

Delegates noted that “sound measurement helped to transform the Decent Work Agenda from a political ambition to something more concrete and quantifiable and that significant advances had been made in this direction” (Report of the 18th ICLS, 2009). Delegates also recalled the importance to assess progress towards decent work and the need to enhance national capacities on measuring decent work at the 19th ICLS (October 2013).

Box 6. Key principles guiding the measurement of decent work

- Any framework for the measurement of decent work would be incomplete without adequate consideration of **both the quantitative and the qualitative dimensions of decent work**.
The ILO framework accordingly set out a list of statistical decent work indicators alongside a set of descriptive legal framework indicators, to take into account the legal and policy framework.
- Attention is drawn to the need to interpret decent work indicators (legal and statistical) within a **broader social and economic context**.
The ILO framework accordingly includes indicators on the social and economic context.
- The definitions for indicators are to be based as far as possible on agreed **international standards**.
The ILO framework accordingly refers to definitions and concepts of international statistical standards and international labour standards.
- With regard to national applicability, the framework needs to retain enough flexibility to respond to the **specific needs and circumstances** of individual countries.
The ILO framework is accordingly not all-inclusive and should be seen as a launching pad for measuring decent work rather than as straightjacket. The aim of this framework is to propose a “template” of international relevance that can be adapted to national circumstances and evolve over the years as further refinements and new indicators are needed.

Thus, the ILO framework aims to offer comparable information for analysis and policy development based on a common core of indicators and international standards, and to maintain flexibility and adapt to national circumstances and national priorities by including additional indicators and information. All indicators are computed from existing statistics and legal information derived from national sources.

Description of the ILO conceptual framework for the measurement of decent work

The ten substantive elements of the framework

The conceptual framework for measuring decent work covers **ten substantive elements** which cover **the four strategic pillars** of the Decent Work Agenda: (i) international labour standards and fundamental principles and rights at work; (ii) employment creation; (iii) social protection; and (iv) social dialogue and tripartism.

These ten elements constitute the groupings under which corresponding statistical and legal framework indicators are organized and classified:

- i. employment opportunities (11 statistical indicators, 2 legal framework indicators);
- ii. adequate earnings and productive work (7 statistical indicators, 1 legal framework indicator);
- iii. decent working time (5 statistical indicators, 2 legal framework indicators);
- iv. combining work, family and personal life (2 statistical indicators, 2 legal framework indicators);
- v. work that should be abolished (5 statistical indicators, 2 legal framework indicators);
- vi. stability and security of work (4 statistical indicators, 1 legal framework indicator);
- vii. equal opportunity and treatment in employment (8 statistical indicators, 2 legal framework indicators);
- viii. safe work environment (4 statistical indicators, 2 legal framework indicators);
- ix. social security (8 statistical indicators, 3 legal framework indicators); and
- x. social dialogue, employers' and workers' representation (5 statistical indicators, 3 legal framework indicators).

An additional substantive element relates to the economic and social context for decent work (12 statistical indicators, 3 legal framework indicators). The context indicators do not measure decent work per se but rather serve to provide data users with information regarding the context of decent work in an economy.

Gender is a cross-cutting concern and as far as possible, many of the indicators of the ten substantive elements are disaggregated by sex.

The statistical indicators are organized according to their importance and current availability, in a layered approach. Indicators are thus identified as either “main”, “additional”, “future” or “context” indicators (respectively denoted by “M”, “A”, “F” and “C”). The legal framework indicators are denoted by an “L”(see Annex).

The 18 main indicators represent a core set of parsimonious indicators that can be compiled by all countries. The 31 additional indicators can be compiled when data are available and if they are considered as relevant indicators at the country level. The future indicators are to be developed by the ILO.

The 71 statistical indicators are quantitative indicators derived from official national data sources. The 21 legal framework indicators are descriptive and qualitative rather than quantitative and are primarily based on legal texts and related textual information. The two sets of indicators are mutually reinforcing and both are essential for monitoring progress towards decent work at the country level.

How this framework is used at the national level

The ILO conceptual framework for the measurement of decent work has been tested in a number of pilot countries, in particular within the ILO/EC MAP project (Bangladesh, Brazil, Cambodia, Indonesia, Niger, Peru, Philippines, Ukraine, Zambia), and it has been improved accordingly. This framework has been widely used by countries in identifying decent work indicators at the country level and in producing national assessments (Decent Work Country Profiles).

From the experience of the pilot countries three key recommendations have been formulated:⁵

- *A process of **prioritization** and selection of the most appropriate decent work indicators is required, reflecting both national ownership and feasibility.*

National partners are encouraged to define their own set of decent work indicators that is relevant at the country level, by selecting from the ILO framework (list of statistical and legal framework indicators) and adding other indicators that reflect their particular national circumstances and decent work policy agenda.

Some countries have disaggregated decent work indicators to meet national requirements (for example, by race in Brazil or by province in Indonesia) or have adapted indicators in the light of data availability.

- *The selection of indicators at the national level should be the outcome of a process of **tripartite consultation**.*

A tripartite national consensus needs to be reached in identifying national decent work indicators. The involvement of tripartite representatives from the start of the process (identification of relevant indicators) to the end (validation of the national report and dissemination) is essential⁶. In addition, governments, and particularly the Ministries of Labour and Employment, should take a strong lead in coordinating the national assessments in the country. This consensus-building process is a key factor in the credibility and legitimacy of the data and conclusions of country assessments.⁷

- *The definitions of statistical decent work indicators should as far as possible be based on **international statistical standards**.*

To ensure the greatest possible degree of consistency and international comparability between indicators developed at the country level, statistical definitions should be based as far as possible on existing ICLS resolutions and guidelines and other relevant international statistical standards.

In most countries that have developed national assessments of decent work using national definitions and thresholds, international definitions have also been included for purposes of comparative analysis.

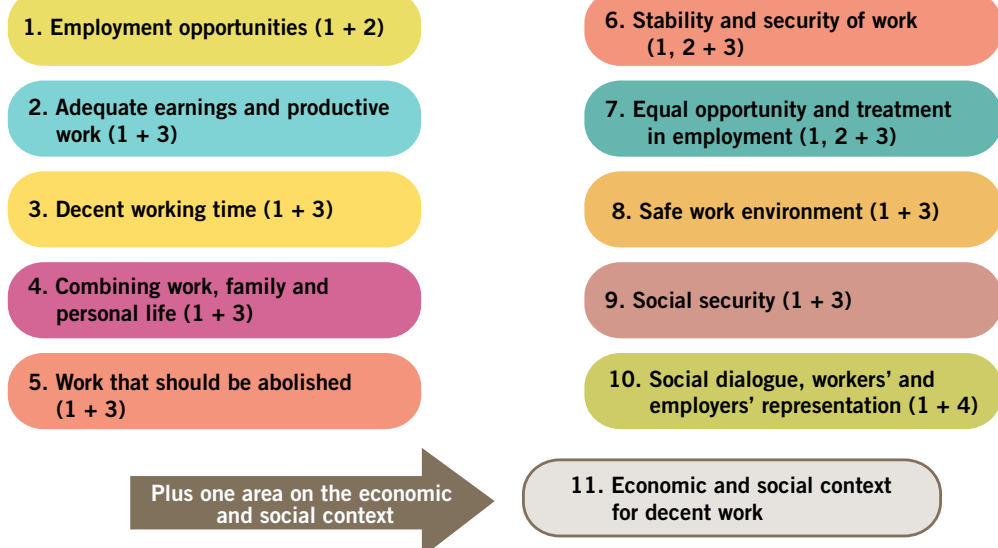
⁵ See ILO/EC: Manual on Monitoring and Assessing Progress on Decent Work. Lessons learned from MAP project (Geneva, ILO, 2013).

⁶ Under the MAP project national partners have, through tripartite consultations with the social partners and other stakeholders, identified a national list of decent work indicators from which they have developed national assessments on progress towards decent work. Some countries have also identified a short-list of priority indicators to be incorporated into the monitoring system of national planning. See <http://www.ilo.org/integration/themes/mdw/map/about/activities/national-consultation-workshop/lang--en/index.htm>

⁷ See ILO/EC: Meeting on Measuring and Monitoring Decent Work: Lessons learned from MAP countries, Meeting report, Geneva, 27-29 June 2012 (Geneva, ILO, 2013). Available at http://www.ilo.org/integration/themes/mdw/map/WCMS_209893/lang--en/index.htm

Table 1. Measurement of decent work based on guidance received at the Tripartite Meeting of Experts on the Measurement of Decent Work (September 2008), including revisions introduced during the pilot phase (2009-13)

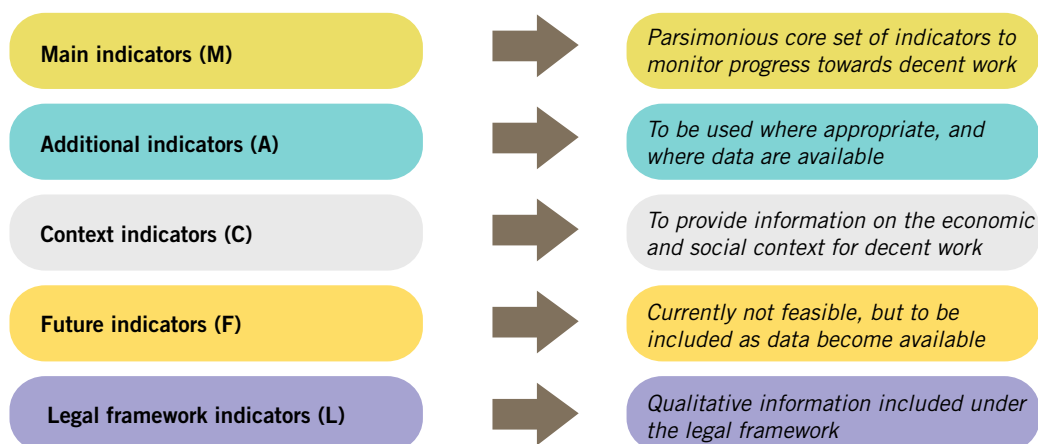
Grouping of indicators under 10 substantive elements of the Decent Work Agenda:



Note: (1) Rights at work (2) Employment opportunities (3) Social protection (4) Social dialogue

Most of the indicators can be presented separately by sex in addition to the total.

Different types of statistical indicators: A layered approach



Countries are encouraged to select from the full list of indicators and add additional indicators to reflect national circumstances.

1.3 The global methodology for monitoring decent work at the national level

The ILO framework has been tested in a range of countries, in particular within MAP project. From lessons learned and best practices, a global methodology for the monitoring of decent work at the country level and the preparation of national assessments has been produced. The global methodology is designed to be both internationally relevant and flexible in its application at the country level. It is based on a step-by-step approach. The first step is the selection by tripartite constituents of indicators judged to be relevant at the national level. The second step is the collection of data on decent work, and the upgrading of existing data collection tools to better measure decent work. The third step comprises the preparation of national assessments on progress made, and their dissemination as a key advocacy tool for mainstreaming decent work into national policies through social dialogue.

Box 7. Monitoring and Assessing Progress on Decent Work. Lessons learned from MAP project Manual (ILO, Geneva, 2013)

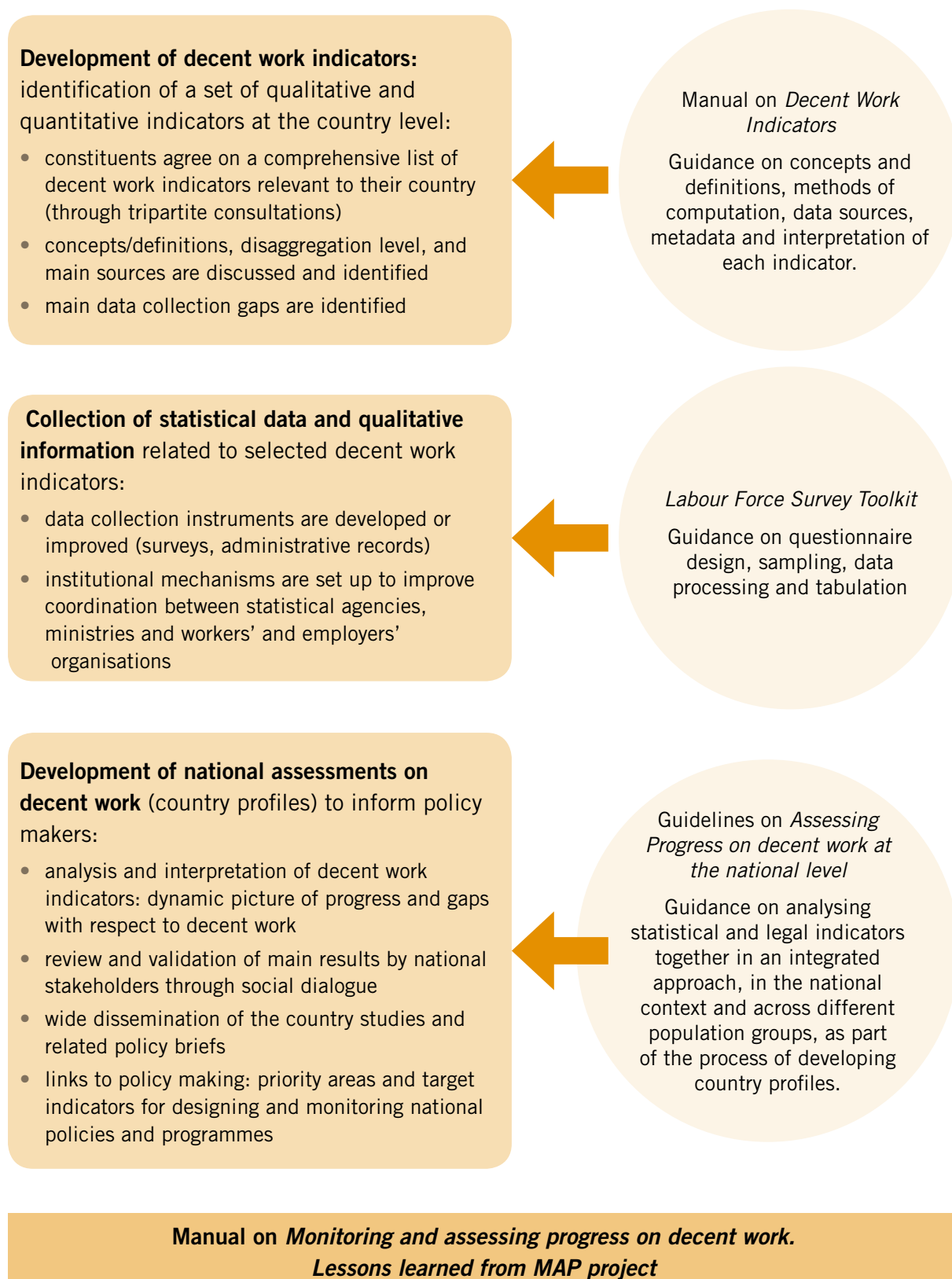
The manual provides guidance to national stakeholders, particularly ministries in charge of labour, employment, economy and planning, national statistical offices and workers' and employers' organisations, on monitoring and assessing progress on decent work level, on the basis of concrete examples. It provides a step-by-step guidance which can be adjusted to national circumstances and suggests a concerted and coordinated process - among national agencies and social partners - that draws and fosters broad-based national ownership.

The manual is divided in four chapters. After a presentation in Chapter 1 of the rationale for monitoring decent work and the ILO framework on the measurement and the monitoring of decent work, the remaining chapters are practical step-by-step guides that present the experience of individual countries, with the main challenges encountered and best practices developed, accompanied by practical indications for each of the step involved. Chapter 2 provides national stakeholders with guidance on the identification of decent work indicators according to national needs and circumstances, drawing particular attention to the key role of tripartite consultations in consensus-building. Chapter 3 discusses the main sources for measuring decent work and data collection issues, and suggests how national statistical systems can be made sustainable. Chapter 4 provides guidance on how to prepare national assessments on decent work which can be used in policy-making through social dialogue.

The global methodology for monitoring and assessing progress on decent work, presented in the manual, is complemented by three technical tools produced by the ILO/MAP:

- (1) the manual on *Decent Work Indicators* (2013) which focuses on concepts and definitions, method of computation, data sources, metadata and brief interpretation guidelines;
- (2) the guidelines on *Assessing Progress on decent work at the national level* (2013), which provides guidance on analysing decent work indicators together and preparing national assessments on decent work, including tips and suggestions for the analysis of both statistical and legal decent work indicators in an integrated approach covering the ten substantive elements of the Decent Work Agenda;
- (3) the *Labour Force Survey Toolkit* (forthcoming), which provides guidance on questionnaire design, sampling, data processing and tabulation, and aims to be a practical tool that can be adapted to national requirements in a modular design.

Graph 1. Global methodology for monitoring and assessing progress on decent work at the national level and related technical tools developed from MAP project countries' experience



Chapter 2:

The decent work indicators: description and sources

2.1 Description of the decent work indicators

A brief description of the decent work indicators is presented here, including their measurement objectives and their rationale. Five of these indicators are MDG indicators on employment and gender equality⁸. Detailed definitions and methods of computation are available in the ILO manual on *Decent work indicators* (see Box 7).

Box 8. ILO manual: Decent work indicators. (2013)

The ILO manual *Decent work indicators. Concepts and definitions* presents guidance on the decent work statistical indicators and legal framework indicators that were identified in the ILO framework on the measurement of decent work and discussed at the 18th International Conference of Labour Statisticians. It is intended for use by national producers and users of data alike and will also be useful for international users.

The manual is divided into eleven chapters corresponding to the ten substantive elements of decent work and to the economic and social context for decent work. Each chapter contains the statistical and legal framework indicators associated with the topic dealt with.

The guidance it provides can be summarized as follows:

- *Guidance on statistical indicators*, focusing on measurement objectives and rationale, method of computation, concepts and definitions, recommended data sources, metadata and disaggregation, and guidelines to the interpretation of these indicators in the national social and economic context and in conjunction with complementary indicators.
- *Guidance on the 21 legal framework indicators*, focusing on the qualitative and descriptive aspects of: (i) laws, policies or institutions that are in place; (ii) benefit levels and thresholds; (iii) evidence of the effectiveness of implementation; (iv) estimated percentage of workers covered in law; (v) estimated percentage of workers covered in practice; and (vi) ratification of relevant ILO Conventions.
- *Guidance regarding the national application of international standards*, including concept and definitions, methods, thresholds and age bands, classification systems, etc.

By providing clear guidance in defining and interpreting the full range of statistical and legal decent work indicators, this manual is designed to serve as a key reference point for a wide range of data users, from ILO constituents and staff to policy-makers and development practitioners, at both the national and the international level. To ensure the greatest possible degree of consistency and international comparability between indicators developed at the country level, statistical definitions presented in this manual are based on existing ICLS resolutions and guidelines and relevant international statistical standards.

Each statistical indicator sheet is divided into five sections: (i) measurement objective and rationale; (ii) method of computation; (iii) concepts and definitions; (iv) recommended data

⁸ See ILO, *Guide to the new Millennium Development Goals Employment indicators: including the full decent work indicator set* (ILO Geneva, 2009), available at: http://www.ilo.org/employment/Whatwedo/Publications/WCMS_110511/lang-en/index.htm and ILO, *Towards Decent Work in Sub-Saharan Africa: Monitoring MDG Employment Indicators*, (ILO Geneva, 2011) available at: http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_157989/lang-en/index.htm

sources, metadata and disaggregation; and (v) interpretation guidelines.

The legal framework indicators summarize legal and policy information across 21 key topics relevant to the measurement of decent work, against a range of criteria derived from existing laws, policies and institutions, benefit levels and thresholds, coverage in law and practice, and evidence of the effectiveness of implementation. They also include country-specific reference to relevant international labour standards and decisions of the ILO's supervisory machinery.

This manual was prepared with the assistance of the ILO/EC MAP project. Published in May 2012, it was launched at the MAP project global meeting in June 2012. The updated version published 2013 and translated into French, Russian and Spanish.

An updated version presented at the 19th ICLS and published in 2013, is to be translated into French, Russian and Spanish (2014, forthcoming).

🕒 Employment Opportunities (EMP)

There are four main and six additional statistical indicators for employment opportunities and one future indicator relating to labour underutilization.⁹ Two legal framework indicators correspond to these statistical indicators.

Statistical decent work indicators
<p>EMP-1. Employment-to-population ratio (M)</p> <p>This is the percentage of employed persons in the working-age population. It shows the overall demand for labour in an economy and provides information on its ability to generate employment.</p>
<p>EMP-2. Unemployment rate (M)</p> <p>This is the percentage of unemployed persons in the labour force. It reflects the inability of an economy to generate employment for people who want to work but are not doing so, even though they are available for employment and actively seeking work.</p>
<p>EMP-3. Youth not in employment, education or training (M)</p> <p>This is the percentage of young people who are not in employment and not in education or training. It provides a measure of those who are outside the educational system and not in employment, and thus serves as a broader measure than youth unemployment of the potential number of young entrants into the labour market.</p>
<p>EMP-4. Informal employment (M)</p> <p>This is the percentage of persons in total employment who are engaged in informal employment. Informal employment is a job-based concept that encompasses jobs that generally do not offer basic social or legal protection or employment benefits. Informal jobs may occur in the formal sector, in the informal sector or in households.</p>

⁹ The labour underutilization indicator is an alternative measure to the unemployment rate. The concept of labour underutilization was discussed at the 18th ICLS and developed by the ILO Working Group for the Advancement of Employment and Unemployment Statistics, which presented a standard for the measurement of labour underutilization at the 19th ICLS (October 2013).

EMP-5. Labour force participation rate (A)

This indicator is defined as the number of persons in the labour force (employed and unemployed) given as a percentage of the working-age population. It provides information about the relative size of the supply of labour currently available for the production of goods and services in an economy. It is a key indicator of the potential for economic growth.

EMP-6. Youth unemployment rate (A)

This is the proportion of the youth labour force that is unemployed. It reflects the extent to which youth are available to work and are seeking employment.

EMP-7. Unemployment by level of educational attainment (A)

This is the number of unemployed persons with a specified level of educational attainment as a percentage of the total number of persons who are unemployed. It provides an insight into the human capital dimension of unemployment and its potential implications for both employment and education policy.

EMP-8. Employment by status in employment (A)

This is the number of workers in each category of the status-in-employment classification as a percentage of the employed population. It provides information on how jobs held by persons are classified, based on the associated economic risk and the authority of job-holders over establishments and other workers.

EMP-9. Proportion of own-account and contributing family workers in total employment (A)

This is the percentage of total employed persons who are own-account workers or contributing family workers. It provides information on the proportion of workers whose status in employment may entail a higher degree of economic risk than for other employed persons.

EMP-10. Share of wage employment in non-agricultural employment (A)

This is the percentage of employees in total employment in the non-agricultural sector. Employees (primarily those with stable contracts, particularly regular employees) may be exposed to less economic risk than some categories of self-employed workers.

EMP-11. Labour underutilization (F)

Currently being developed by the ILO.

Legal framework indicators (L)

Government commitment to full employment: This is concerned with government policies and legal commitments to employment; many countries have policies and laws stating that the Government is committed to promoting employment creation in order to move towards the goal of full employment

Unemployment insurance: This is concerned with government commitment to mitigating the effect on workers' loss of income if they lose their job.

🔄 Adequate earnings and productive work (EARN)

Seven statistical indicators are designed to help countries monitor progress towards this objective and one legal indicator corresponds to these statistical indicators.

Statistical decent work indicators
<p>EARN-1. Working poor rate (M)</p> <p>This indicator gives the proportion of the employed population living in households that are classified as poor, i.e., that have consumption or income levels below a pre-determined national or international poverty line.</p>
<p>EARN-2. Employees with low-pay rate (M)</p> <p>This indicator rate captures how many paid employees are working for low wages. It is defined as the proportion of paid employees whose hourly wages in all jobs amount to less than two-thirds of the median hourly wages of all employees.</p>
<p>EARN-3. Average hourly earnings by occupation group (A)</p> <p>This indicator provides information on the remuneration of paid employees in specific occupations. The choice of the occupations depends on the country; the size of the occupational group is an important determining factor.</p>
<p>EARN-4. Average real wages (A)</p> <p>This indicator captures the general evolution of wage income over time. It shows the arithmetical average of total monthly real earnings for employees for all jobs. Real wages are calculated by dividing nominal monthly wages by the CPI in order to control for changes in consumer prices over time.</p>
<p>EARN-5. Minimum wage as a percentage of the median wage (A)</p> <p>This indicator expresses the minimum wage as a percentage of the median monthly wage, in order to determine the level of minimum wages in relation to the overall pay structure.</p>
<p>EARN 6. Manufacturing wage index (A)</p> <p>This indicator is used to measure the change in wage rates in the manufacturing sector (between the latest year and the last base year when the index equalled 100). Statistics on average wages in manufacturing are influenced by shifts in employment between different industries, and the index controls for changes in the structure of employment in order to isolate the effect of changes in wage rates.</p>
<p>EARN-7. Employees with recent job training (A)</p> <p>This indicator provides information on the share of employees who have received job training in the last 12 months and is a measure of skills development provided by the employer.</p>
Legal framework indicator (L)
<p>Minimum wage laws: Minimum wage is calculated on the basis either of time or of output and constitutes a level which may not be undercut. Its application is guaranteed by law. It should be determined taking into account the minimum needs of the worker and his/her family, in the light of prevailing national economic and social conditions.</p>

🕒 Decent working time (TIME)

Five statistical indicators are proposed within the ILO framework on the measurement of decent work, including an indicator on paid annual leave that the ILO is to develop. Two legal framework indicators correspond to these statistical indicators.

Statistical decent work indicators

TIME-1. Employment in excessive working time (more than 48 hours per week) – (M)

This indicator provides information on the share of employed persons whose who actually work more than 48 hours per week.

TIME-2. Employment by weekly hours worked (A)

This indicator provides information on the distribution of employed persons according to weekly hours actually worked. This indicator is also an indirect measure of how much time employed people can dedicate to other activities, e.g. household work, family, leisure and recreation, and self-development.

TIME-3. Average annual working time per employed person (A)

This indicator is a measure of the aggregate level of labour utilization in an economy in terms of the working time of employed persons. It is defined as the total number of hours actually worked of all employed persons in a year given as a percentage of the total average number of employed persons during the year.

TIME-4. Time-related underemployment rate (A)

This indicator is a measure of labour underutilization that provides information regarding the share of employed persons who are willing and available to increase their working time and worked fewer hours than a specified time threshold during the reference period. It signals inadequate employment and complements other indicators of labour slack and labour underutilization.

TIME-5. Paid annual leave (F)

To be developed by the ILO

Legal framework indicators (L)

Maximum hours of work refers to the number of daily and weekly hours in excess of which any time worked is remunerated at overtime rates. The reason for limiting hours of work is to preserve the workers' health and well-being and to ensure their productiveness and motivation. While this indicator focuses specifically on maximum hours of work, it is essential to look also at the daily and weekly rest periods and annual leave in order to have a better perspective on working time.

Paid annual leave refers to the period during which a worker is off work while continuing (i) to receive an income and (ii) to be entitled to social protection. Other forms of paid leave, which are not considered annual leave, include public holidays, sick leave and maternity and parental leave. Here again, the purpose of annual leave is to preserve workers' health and well-being and to ensure their productiveness and motivation.

🔄 Combining work, family and personal life

Combining work, family and personal life comprises a small set of decent work indicators related to fundamental principles and rights at work and social protection. Two statistical indicators have been identified as future indicators on which developmental work is to be done by the ILO: (i) asocial or unusual hours, and (ii) maternity protection.

Several countries already have developed statistical indicators to measure this dimension, such as average weekly hours spent on housework and in the main job, or the number of women on maternity leave as a percentage of the registered number of employees, or the share of the economically inactive population performing household duties, caring for children, the sick and other family members, or the economic inactivity rate attributable to household/family duties. The labour force participation rates for women of childbearing age could also be used, with possible national adjustments to the age range, as well as the labour force participation rates for women with and without children below school age, when available, in order to measure of how frequently women combine work and child care¹⁰.

The legal framework indicators are:

- *maternity leave*, which provides women with time off work, before and after childbirth, to prevent harm to themselves or to their unborn child during pregnancy, and to allow them to recover from childbirth and nurse their child for an adequate amount of time. The aim of maternity leave is to allow women to combine their reproductive and productive roles successfully. It is, along with measures protecting against pregnant women and women on maternity leave from dismissal, one of the essential factors in achieving equality of opportunity and treatment.
- *parental leave*, which refers to longer periods of leave for either or both parents (or adoptive parents), to be taken after maternity and paternity leave. It offers qualifying parents the right to take time off work to look after their child. It can help strike a better balance between work and family responsibilities.

¹⁰ For more details, see the ILO manual on *Decent Work Indicators* 2012 and the guidelines on *Assessing Progress on Decent Work* 2013.

Work that should be abolished

Five statistical indicators are proposed in the ILO framework on the measurement of decent work. There are two corresponding legal framework indicators.

Statistical decent work indicators
ABOL-1. Child labour rate (M) This is the percentage of overall child population in child labour aged 5 to 17 years. The term <i>child labour</i> indicates the engagement of children in prohibited work and, more generally, in types of work to be eliminated as they are socially and morally undesirable, as determined by national and international standards.
ABOL-2. Hazardous child labour rate (A) This indicator reflects the prevalence of hazardous work among the population of children aged 5 to 17 years.
ABOL-3. Rate of worst forms of child labour (WFCL) other than hazardous work (A) This indicator reflects the prevalence of the worst forms of child labour other than hazardous work among the population of children aged 5 to 17 years.
ABOL-4. Forced labour rate (A) This is the proportion of the employed who are currently engaged in forced labour; it reflects the extent of the problem at a given point in time.
ABOL-5. Forced labour rate among returned migrants (A) This is the proportion of returned labour migrants (economically active migrants) who, for a given reference period (12-24 months), have been engaged in forced labour (including forced labour as a result of trafficking). The indicator relates to decent work for a country's nationals who have worked abroad.
Legal framework indicators (L)
Child Labour: designates a particular form of work as child labour depends on the child's age, the type of work performed, the conditions under which it is performed and decisions made by individual countries. Child labour is often condemned as work that deprives children of their childhood, their potential and their dignity and that is harmful to their physical and mental development. Forced labour exists when work or service is exacted by the State or by individuals who have the power to threaten workers with severe deprivation.

🔄 Stability and security of work

Stability and security of work covers four statistical indicators in the ILO decent work measurement framework that reflect the share of employment corresponding to a particular category of unstable or insecure workers. One legal framework indicator corresponds to these statistical indicators.

Statistical decent work indicators
<p>STAB-1. Precarious employment rate (M)</p> <p>This is the share of the employed (especially employees) whose contract of employment, whether verbal or written, is of relatively short duration (casual workers, short-term workers or seasonal workers) or whose contract can be terminated on short notice.</p>
<p>STAB-2. Job tenure (A)</p> <p>Job tenure measures the length of time workers have been in their current or main job or with their current employer and is valuable for analysing the degree of fluidity in the labour market. There are two indicators of job tenure: (i) mean job tenure for all employed persons and (ii) percentage distribution of employed persons by length of job tenure.</p>
<p>STAB-3. Subsistence worker rate (A)</p> <p>This is the share of employed persons who work in the subsistence production of goods or services, i.e., production which constitutes the predominant consumption of the household. Such workers face enormous challenges in terms of stability and security of work because of the nature of the work, which is often dependent upon rights to use land and water resources as well as favourable climatic and environmental conditions.</p>
<p>STAB-4. Real earnings of casual workers (A)</p> <p>This is the remuneration in real terms of one of the most precarious types of employment. It is obtained by adding up the total nominal earnings per hour of casual workers over a given reference period and deflating the amount by the consumer price index.</p>
Legal framework indicators (L)
<p>Termination of employment: The rules regulating termination of employment aim to ensure the employer's right to dismiss a worker for a valid reason and the worker's right not to be deprived of work unfairly.</p>

🔄 Equal opportunity and treatment in employment

In order to help countries to monitor the progress they have made in promoting equal opportunity and treatment in employment, four statistical indicators have been defined and four others are being developed by the ILO. Two legal framework indicators correspond to these four statistical indicators. Given that it is difficult to measure discrimination directly, the selected statistical indicators on equal opportunity and treatment in employment measure inequality for women and other groups in terms of types of occupations, management positions, wages, and non-agricultural wage employment.

Statistical decent work indicators

EQUA-1. Occupational segregation by sex - (M)

This indicator is computed from three measures (see the ILO manual, *op.cit*) and provides information on the tendency for men and women to work in different occupations – where occupation refers to a set of jobs whose main tasks and duties are characterized by a high degree of similarity. It sheds light on the extent to which men and women benefit from different opportunities and treatment in their work.

EQUA-2. Female share of employment in senior and middle management - (M)

This indicator refers to the proportion of women in total employment in senior and middle management (corresponding to ISCO-88 categories 11 and 12 or ISCO-08 sub-major groups 11, 12 and 13). It provides information on the proportion of women who are employed in decision-making and management roles in government, in large enterprises and in institutions.

EQUA-3. Gender wage gap - (A)

This indicator shows the difference between the gross average hourly earnings of male and female employees expressed as a percentage of gross average hourly earnings of male employees. It measures the relative difference between the average hourly pay for men and the average hourly pay for women.

EQUA-4. Share of women in wage employment in the non-agricultural sector - (A)

This indicator shows the share of women in paid employment in the non-agricultural sector as a percentage of total paid employment in the non-agricultural sector.

EQUA-5 Indicator for fundamental principles and rights at work “Elimination of discrimination in respect of employment and occupation” (F)

To be developed by the ILO.

EQUA-6 Measure of discrimination by race/ethnicity/of indigenous people/of (recent) migrant workers/ rural workers where relevant and available at the national level (F)

To be developed by the ILO.

EQUA-7 Measure of dispersion for sectoral/occupational distribution of (recent) migrant workers – (F)

To be developed by the ILO.

EQUA-8 Measure for employment of persons with disabilities (F)

To be developed by the ILO.

Legal framework indicators (L)

Equal opportunity and treatment: Discrimination exists when laws, rules or practices explicitly cite a particular reason, such as gender, race, etc., whereby equal opportunities are denied (direct discrimination) or which, though ostensibly neutral, leads in practice to exclusion (indirect discrimination). Freedom from discrimination is a fundamental human right and it is therefore essential that workers be able to choose their employment freely, to develop their potential to the full and to obtain economic rewards on the basis of merit.

Equal remuneration of men and women for work of equal value, refers to rates of remuneration established without discrimination based on gender.

🔄 Safe work environment

Safe work environment covers four statistical indicators within the ILO decent work measurement framework and two corresponding legal framework indicators.

Statistical decent work indicators
<p>SAFE-1. Occupational injury frequency rate, fatal (M)</p> <p>This indicator is defined as the number of fatal occupational injury cases per hours worked by the population concerned during the reference period. It is a measure of the risk of having a fatal occupational injury in terms of the duration of exposure to adverse work-related factors.</p>
<p>SAFE-2. Occupational injury frequency rate, non-fatal (A)</p> <p>This indicator is the number of new cases of non-fatal occupational injury per hours worked by the population concerned during the reference period. It is a measure of the risk of having a non-fatal occupational injury in terms of the duration of exposure to adverse work-related factors.</p>
<p>SAFE-3. Time lost per occupational injury (A)</p> <p>This measures the consequences of occupational injuries in terms of lost days. It is the total number of days lost due to new cases of non-fatal injury resulting in temporary incapacity during the reference year divided by the total number of occupational injuries in the reference group during the reference year.</p>
<p>SAFE-4. Labour inspection (Inspectors per 10,000 employed persons) (A)</p> <p>This measures the number of labour inspectors per 10,000 employed persons as a crude proxy measure of the resources for monitoring and enforcing working conditions and standards.</p>
Legal framework indicators (L)
<p>Employment injury benefits provide compensation for work-related injuries and occupational diseases. They include medical care, cash benefits for temporary or permanent loss of earnings and cash benefits in the event of the death of the breadwinner. This legal framework indicator focuses on income replacement in case of employment injury (cash benefits for loss of earning).</p> <p>Labour inspection in the field of occupational safety and health (OSH) involves examining a workplace to assess and control risks to health and safety at work from the perspective of work issues or other work-related pressures. The enforcement of health and safety regulations is only one dimension of the work of the labour inspectorate, which is concerned with the enforcement of regulations concerning working conditions in general.</p>

🔄 Social security

The ILO framework on measuring decent work lists ten statistical indicators for monitoring the progress made by countries towards their social security objectives; some of these indicators are scheduled for development by the ILO. Three legal framework indicators correspond to these statistical indicators.

Statistical decent work Indicators
<p>SECU-1. Share of population above the statutory retirement age (aged 65 or above) benefiting from an old-age pension (M)</p> <p>This is the proportion of the population above the statutory retirement age or aged 65 and above who receive an old-age pension</p>
<p>SECU-2. Public social security expenditure (percentage of GDP) (M)</p> <p>This is the total public social security expenditure expressed as a percentage of the gross domestic product (GDP) and reflects the country's social spending effort relative to the size of its economy.</p>

SECU-3. Health expenditure not financed out of pocket by private households (A)

This indicator is used as a proxy for affordable access to health care. The percentage of total (public and private) healthcare expenditure that is not financed by out-of-pocket payments by private households is approximately equivalent to the percentage of total (public and private) healthcare expenditure in the country covered by general government, by pre-paid private insurance, by private employers or by NGOs.

SECU-4. Share of economically active population contributing to a pension scheme (A)

This indicator captures the share of the economically active population protected through a contributory pension scheme without double counting (i.e., benefits guaranteed but not currently being received).

SECU-5 Share of eligible population covered by (basic) health care provision (F)

To be developed by the ILO.

SECU-6 Public expenditure on needs-based cash income support (percentage of GDP) (F)

To be developed by the ILO.

SECU-7 Beneficiaries of cash income support (percentage of the poor) (F)

To be developed by the ILO.

SECU-8 Sick leave (F)

To be developed by the ILO.

SECU-9 Share of unemployed receiving regular periodic social security unemployment benefits (F)

To be developed by the ILO.

SECU-10 Ratio of average old-age pension received to minimum wage (F)

To be developed by the ILO.

Legal framework indicators (L)

Old-age social security or pension benefits (public/private) refers to all benefits paid to persons who have withdrawn from the labour market following retirement and who meet certain requirements as to retirement age, residence, nationality, etc.

Incapacity for work due to sickness/sick leave (income replacement in case of sickness/sick leave): income replacement in case of sickness is part of the health and sickness social security which covers any benefits provided to maintain, improve or restore the health of the persons protected as well as their ability to work and to attend to their needs. Paid sickness benefits are periodic cash benefits paid on a regular basis as income replacement in respect of a temporary inability to work caused by illness and/or injury; they do not include other sickness cash benefits (such as allowances for intensive care), special bonuses, or benefits in kind.

Incapacity for work due to invalidity (income replacement in case of non-occupational invalidity): invalidity benefits cover any benefit arising from the partial or total inability of a protected person to participate in a gainful activity owing to a non-occupational chronic condition resulting in a disease, injury, loss of a member or body function prior to attaining the standard retirement age. Invalidity benefits arise when the inability to engage in any gainful activity is likely to be permanent or persists after the period during which the beneficiary is entitled to a benefit for temporary incapacity.

🔄 Social dialogue, workers' and employers' representation

It is essential to measure and assess the extent to which the rights to social dialogue are exercised effectively. Four statistical indicators are proposed by the ILO and it is to develop a future indicator on fundamental principles and rights at work (freedom of association and collective bargaining). Three legal framework indicators correspond to these statistical indicators.

Statistical decent work indicators
<p>DIAL-1. Trade union density rate (M)</p> <p>This is the percentage of workers in a reference group (employed/employees) who are trade union members. It provides a proxy measure of workers' representation and of the influence of trade unions.</p>
<p>DIAL-2. Employers' organization density rate (M)</p> <p>This is the share of enterprises belonging to an employers' organization. It provides information on the coverage and representativeness of employers' organizations.</p>
<p>DIAL-3. Collective bargaining coverage rate (M)</p> <p>This is the proportion of workers in employment whose pay and/or conditions of employment are directly or indirectly (e.g., through extension clauses) determined by one or more collective agreement(s).</p>
<p>DIAL-4. Days not worked due to strikes and lockouts (M)</p> <p>This indicator shows the direct impact of labour disputes on production and can provide indirect information on the effectiveness of social dialogue. It is calculated by dividing the total number of days not worked by the workers involved by the total number of workers covered by the statistics (using the standard unit "per 1,000 workers").</p>
Legal framework indicators (L)
<p><i>Freedom of association and the right to organize</i>, refers to the right to form and join workers' or employers' organizations to defend workplace interests. It includes the right of these organizations to conduct their internal administration in full freedom. It also covers the promotion of collective bargaining between workers and employers and the right to strike</p> <p><i>Collective bargaining right</i>, refers to the negotiation and conclusion of collective agreements to determine terms and conditions of employment.</p> <p><i>Tripartite consultations</i>, entail dialogue and cooperation between governments, employers, and workers in the formulation of standards and policies dealing with labour issues. International labour standards are created and supervised through a tripartite structure that ensures that they have the broad support of all ILO constituents.</p>

Social and economic context for decent work

The ILO global framework on the measurement of decent work suggests 12 statistical indicators providing a broad picture of the economic and social context for decent work. One legal framework indicator corresponds to these statistical indicators.

Statistical indicators of the economic and social context

CONT-1. Children not in school (percentage by age) (S)

This indicator provides information on school-age children who are not attending school. In order to determine the percentage of children not in school the gross enrolment ratio is subtracted from 100 for each level of education (the gross enrolment rate is the total enrolment in a specific level of education, regardless of age, expressed as a percentage of the population in the age group that officially corresponds to that level of education.)

CONT-2. Estimated percentage of the working-age population who are HIV positive

This indicator shows the HIV prevalence rate among the working-age population.

CONT-3. Labour productivity (GDP per employed person, level and growth rate) - MDG indicator

Labour productivity is the total volume of output (measured in terms of GDP) achieved per unit of labour (measured in terms of employed persons). The purpose of this indicator is to assess the role of labour, which is one of the inputs to the production process, in terms of GDP growth.

CONT-4. Income inequality (90:10 ratio)

This indicator is the ratio of the average income of households in the top percentile to that of households in the bottom percentile of the income distribution.

CONT-5. Inflation rate

The consumer price index (CPI) is a summary indicator designed to measure changes over time in the general level of prices of goods and services that a reference population acquires, uses or pays for. The CPI is constructed as a weighted average of a large number of elementary aggregate indices. Each of the elementary aggregate indices is estimated using a sample of prices for a defined set of goods and services.

CONT-6. Employment by branch of economic activity

This indicator shows the share of employment by economic activity, as indicated by the International Standard Industrial Classification of all Economic Activities (ISIC). It is recommended as a minimum for presenting the share of employment in agriculture, industry and services.

CONT-7. Education of the adult population (adult literacy rate, adult secondary-school graduation rate) (S)

The adult literacy rate provides a snapshot of the basic level of education and the capability to access written information in a given country. The adult graduation rate from secondary school shows the proportion of adults who have had formal schooling.

CONT-8. Labour share in gross value added

The share of labour in the gross value added is the total compensation of employees given as a percentage of gross value added (a measure of total output). The purpose of this indicator is to measure the share of output which is paid as compensation to employees as compared with the share paid to capital. In general, the labour share in GDP (from national accounts estimates) will underestimate the proportion of gross value added accrued to total employment, as it covers only the compensation of employees and not that of the self-employed.

CONT-9. (additional) – Real GDP per capita (level and growth rate)

The GDP in PPP terms is used to compare national wealth between countries. The GDP per capita is the amount of GDP/wealth per person on average. It is also used as a macro indicator of well-being.

CONT-10. (additional) – Female share of employment by economic activity (ISIC tabulation category)

This indicator is computed as the share of women employed expressed as a percentage of total employment in a given economic activity. It provides information about the employment opportunities for women and gives an indication of the extent to which women have equal access to employment in different economic activities.

CONT-11. (additional) – Wage/earnings inequality (90:10 ratio)

This indicator measures of inequality solely on the basis of income from employment. It refers to the ratio of the average earnings of employees in the top percentile to that of employees in the bottom percentile of earnings distribution.

CONT-12. (additional) – Poverty measures

Poverty can be measured by means of two indicators: the Headcount Index and the Poverty Gap Index. These indicators provide information on the well-being of the population by indicating the poverty status and the severity of poverty, respectively. The Headcount Index is computed as the percentage share of the population living below the national poverty line. The Poverty Gap Index, on the other hand, is the mean distance separating the population from the poverty line expressed as a percentage of the poverty line.

Legal framework indicators (L)

Labour administration is defined as “public administration activities in the field of national labour policy”. Those activities include policy shaping, formulation and implementation by means of a labour administration system. It requires an institutional framework for coordination, in addition to one for consultation and participation of social partners.

2.2. Data sources required for compiling decent work indicators

There are four main sources of data on decent work: population censuses, household surveys (general, labour force, income and expenditure), establishment surveys and administrative records; complementary sources can also be used (see Box 8).

Box 8. Types of sources for statistical decent work indicators

Population censuses; Labour force surveys; Household income and expenditure surveys; and other household surveys.

Economic or establishment censuses: Labour-related establishment surveys; and other establishment surveys.

Official estimates; Insurance records; Employment office records; Population registers; Establishment or business registers; and other administrative records and related sources.

Collective bargaining agreements; Labour inspectorate records.

National accounts and consumer price surveys.

The majority of decent work indicators are compiled from household-based labour force surveys or other household surveys that have an employment module. They are best calculated using estimates derived from a labour force survey (LFS), as the primary objective of an LFS is to obtain reliable estimates about the labour force of a given population based on a sample of households. This instrument permits the estimation of the number of persons employed as well as the size of the working age population and can be designed to provide both stock and flow estimates. It generally covers all workers, including all self-employed persons and often allows disaggregation of data by demographic variables such as sex, age group and in some cases, ethnic group. Moreover, the data can often be disaggregated by status in employment, occupation group and economic activity group (see Boxes 9 and 10).

Other sources that are used to complement estimates from labour force surveys, include other topic-specific household surveys (such as Child labour surveys), other household surveys, employment-related establishment surveys, and administrative records (see Box 10). For instance, some decent work indicators related to safe work environment, social dialogue, or social security are compiled from administrative records, while some of them may be compiled from establishment surveys (such as indicators of stability and security at work, adequate earnings, and safe work environment).

Box 9. Labour force survey

A labour force survey (LFS) is a household-based sample survey focusing on the labour force status of the working-age population and related statistics. Survey respondents are members of sampled households. The LFS seeks to provide reliable, coherent information from a socio-economic perspective about the total working-age population and its components, in particular the labour force. Such surveys often allow disaggregation of the labour force by personal characteristics such as sex, age, educational attainment and, in some cases, migrant status and ethnicity, as well as on the basis of information about the jobs held by employed persons (e.g., occupation and type of contract).

The labour force survey, which is most often conducted at least once a year (though in many cases on a quarterly, monthly or even continual basis), is the main data collection instrument for statistics on employment and unemployment worldwide. The concept of employment in household surveys refers to employed persons, including self-employed workers, rather than to jobs, since a person may have more than one job and work in different establishments. Some labour force surveys allow the breakdown of employed persons according to multiple job-holding characteristics.

National assessments on decent work depend on the availability of data at the national level as well as on their scope and frequency. Labour force surveys, other household surveys and population censuses are often available only for certain years. The countries that have produced Decent Work Country Profiles have used various ranges of years to assess their progress towards decent work. For example, for the first edition of Brazil's Country Profile the data covered the period 1992-2007, while the updated version includes additional data for 2009 and 2010. Ukraine's Country Profile covered the period 1998-2009 and its updated version included additional data for 2010 and 2011. The Country Profile for the Philippines covered 1995-2010, Austria's Profile 1998-2008, Azerbaijan's 2003-08 and Zambia's 1998-2008.

Countries are encouraged to collect statistics related to decent work indicators regularly, and it is therefore recommended that national statistical offices broaden or adjust their statistical in-

struments to measure the decent work indicators. The collection of administrative data, from labour inspection databases and social security agencies for example, should also be improved.¹¹

Box 10. The preferred sources for compiling the main decent work indicators

Employment opportunities: *employment-to-population ratio, unemployment rate, youth not in employment and not in education or training, informal employment rate.*

The preferred source is the labour force survey (LFS). Population censuses and other household surveys may be used if they have an appropriate employment module, as well as administrative records related to population and employment (such as unemployment registers). Informal employment is measured from the LFS including specific questions to capture information on informal employment; other household surveys may be used if they include a module with similar questions.

Adequate earnings and productive work: *working poor, low pay rate.*

The preferred source is household surveys that have an employment module and variables on the poverty status and economic activity of household members (HIES, LSMS, LFS); Establishment surveys (and sometimes administrative records related to social security) can also provide data on earning and hours.

Decent working time: *excessive hours (more than 48 hours per week).*

The preferred source is the LFS or other household surveys; establishment surveys with a good coverage may be considered as a second option.

Work that should be abolished: *child labour rate.*

The main source is household-based child labour surveys.

Stability and security at work: *precarious employment rate.*

The preferred source is the LFS or other household surveys that provide information on the duration of contracts.

Equal opportunity and treatment in employment: *occupational segregation by gender, women's share of employment in senior and middle management (ISCO groups 11 and 12).*

The preferred source is the LFS. Other household surveys and population census may be used if they have an appropriate employment module, as may administrative records related to employment and the ISCO groups.

Safe work environment: *occupational injury rate, fatal*

The preferred source is labour inspection records, annual reports, supplemented household surveys and establishment surveys.

Social security: *share of the population aged 65 and above benefiting from a pension, public social security expenditure (as a percentage of GDP).*

The main source is administrative records, LFS and household budget surveys.

Social dialogue, workers' and employers' representation: *union density rate, employers' organization density rate, collective bargaining coverage rate.*

The main source is administrative records, LFS and household budget surveys with extended modules.

Source: ILO manual on Decent Work Indicators: Concepts and Definitions (ILO, April 2012).

¹¹ ILO/EC: *Meeting on Measuring and Monitoring Decent Work: Lessons learned from MAP countries*, Meeting report (Geneva, ILO, 2013). Available at http://www.ilo.org/integration/themes/mdw/map/WCMS_209893/lang-en/index.htm

2.3 National actions to improve data collection instruments on decent work

Monitoring and assessing progress on decent work depend on the availability of data at the national level as well as on their scope and frequency. In low-income and lower middle-income countries, labour force surveys, other household surveys and population censuses are often available only for certain years.

The need to broaden the scope and increase frequency of labour force surveys

Conducting regular labour force surveys is considered key to the long term sustainability of decent work indicators and related assessments at the country level. Also governments and national statistical offices should adjust their statistical instruments to better measure decent work and capture all its aspects.

Countries are encouraged to improve compliance with international statistical standards and broaden the scope of the decent work components covered, in particular in labour force surveys. For instance by using their labour force surveys to collect data on safe work environment and social dialogue, including trade union membership and occupational injuries.

Also, increasing the coverage of national surveys allow further disaggregation (by population groups, provinces, and economic sectors and so on), which is needed for mainstreaming decent work issues into national and local planning.

The pilot-countries with advanced statistical systems, such as Brazil, Indonesia, the Philippines, Peru and Ukraine, have been able to obtain comprehensive data over time on many topics, with a high level of disaggregation at the national, provincial and sector level, broken down by population group and covering all areas, including some areas designated in the ILO framework as being suitable for future development. These countries have produced long-time-series data - over periods of 10 to 15 years and on a yearly basis - that have made possible a more complete analysis of trends in decent work, since the interpretation of some indicators requires long-time-series rather than year-on-year changes, particularly those which are determined by structural factors instead of cyclical factors. These countries have incorporated the decent work indicators into the regular statistical activities of the national statistical office, thus facilitating future updates to monitor progress of key indicators.

The pilot-countries with less advanced statistical systems, such as Bangladesh, Cambodia, Cameroon, Niger and Zambia have been able to provide data on only a few data points with a partial coverage of the ten areas of decent work and with limited scope for disaggregation. Hence, these countries decided to improve their national statistical instruments. Bangladesh, Cambodia and Niger have conducted combined surveys in 2012 and 2013: labour force and child labour survey, labour force and informal sector survey. In these countries where labour force surveys are conducted occasionally, an effort is needed to conduct labour force surveys on regular basis. For instance, LFS are carried out on ad hoc basis in Niger and Cambodia, and only every three to five years in Bangladesh and Zambia. Even though statistical offices in these countries generally face major constraints in terms of technical, financial and human resources, a specific timetable for household surveys does nevertheless exist.

Box 11. National mechanisms of collection and analysis of decent work data: some examples from MAP countries

Brazil

The Brazil's statistical agency (IBGE) has developed a new PNAD continuous survey to replace the previously annual household-based survey (PNAD) and has expanded the revised questionnaire in order to capture more aspects of decent work (safe work environment, social security, and social dialogue, including trade union membership). In addition, a supplementary survey with additional questions on decent work has been included in the integrated household survey system (SIED) in order to fill gaps in the country's decent work indicators system.

Philippines

In the Philippines, a Labour Force Survey (LFS) is conducted every quarter and is the major source of labour market statistics on the country's economically active population. In 2011, a reassessment of the LFS by the Department of Labor and Employment and the National Statistics Office (NSO) revealed the need for conformity of concepts and measurements of certain indicators with international standards; the need to refine some definitions in the current LFS questionnaire (i.e. highest educational grade completed, nature of employment, persons with marginal attachment to the labour force); and the need to increase data availability on topics of current analytical importance (i.e. labour underutilization, child labour, overseas employment).

Zambia

In Zambia, the government has undertaken to produce regular data on labour force and decent work and improve the national labour market information system. Labour Force Surveys are to be conducted every three years within the national statistical programme, but that requires increasing national capacities on data collection and analysis. Technical assistance was provided to the Country Statistical Office (CSO) and the Ministry of Labour for the 2012 Labour Force Survey questionnaire design (refinements of definitions and questions related to employment, informal employment, wages and earnings, forced labour and child labour).

Niger

In Niger, labour force surveys and other household surveys remain ad-hoc and reliant on donor funds, while there is an urgent need to develop statistical indicators for monitoring progress toward decent work goals over time on a regular basis. The government conducted a combined Labour force and Informal Sector Survey (LFS-ISS) in 2012. The LFS questionnaire has been revised, including additional questions to better measure decent work. The Employment and Vocational Training Observatory is currently developing a database on decent work statistics compiled from national sources and is responsible for producing regular studies on decent work trends.

Bangladesh

Bangladesh has a fairly regular information system: censuses and socioeconomic surveys are regularly conducted and provide periodic data on employment and unemployment, labour force surveys and informal sector surveys remain ad-hoc and data in some critical areas of decent work (earnings, underemployment, working poor, working time, social security, social dialogue mechanisms) are currently inadequate. The Government wished to boost the information base so as to provide for more robust and detailed analysis and monitoring of labour and decent work trends. A new Labour Force Survey combined to a Child Labour survey (LFS-NCLS) was prepared in 2012 and implemented in 2013, by the Bangladesh Bureau of Statistics (BBS), and the Ministry of Planning with the assistance of the ILO and MAP project. It is based on the new master sample frame derived from the Population Census, conducted in 2011.

Cambodia

In Cambodia, labour force surveys and other household surveys remain ad-hoc and reliant on donor funds. The Cambodia's last labour force surveys were conducted in 2000 and 2001, supported by the Asian Development Bank. The National Institute of Statistics (NIS) has also conducted six Socio-Economic Surveys (CSES), the latest one being in 2009, giving broad insights into a number of areas, including health, housing conditions, and labour force. The country's last child labour survey was conducted in 2001. In 2012, the NIS conducted a combined labour force survey and national child labour survey (LFS-NCLS), with the assistance of the ILO and MAP project.

In low-income countries lack of resources was identified as the main constraint on the holding of regular household surveys. Middle-income countries have also called for continued ILO support in their efforts to collect data on a systematic basis and improve data quality. Countries also called for greater South-South cooperation efforts and sharing of experience, as was noted at the Asian regional meeting on measuring decent work held in Bangkok in November 2012.

In less developed countries in particular, governments have sought to build a case for additional resource allocations from the national budget (within the context of their national statistical strategy and programme) in addition to donor assistance, in order to implement regular labour force surveys that will enable more regular compilation of indicators and monitoring of national progress on a sustainable way. Constituents have also pointed out that policy-makers should be more aware of decent work objectives, in order to increase their political commitment and interest in monitoring decent work and thus in collecting data on decent work.

The need to improve administrative data and institutional coordination mechanisms

In several pilot-countries, both low and middle income countries, the quality and scope of data available from administrative records remains a major concern, as they are generally of very limited quality, coverage and periodicity.

Constituents highlighted the need to develop institutional coordination mechanisms to produce administrative data in a coherent and regular manner from different government ministries.

In some countries, such as Indonesia, the decentralized structure of the country makes the collection of administrative data difficult, in the absence of coordination between central and provincial structures. In the Philippines, administrative statistics, particularly on social security, are weak, as the social security system is fragmented (different systems are available for public and private sector workers) and undermine a coherent statistical system.

Hence, governments should consider integrating the decent work statistics and indicators into their national socio-economic information system through effective institutional coordination mechanisms.

The need to develop integrated information system for decent work

The development of databases of decent work indicators that can be regularly updated and accessed by all stakeholders, including government agencies, employers' organisations and trade unions, is an important mean of ensuring the sustainable monitoring of decent work at the country level.

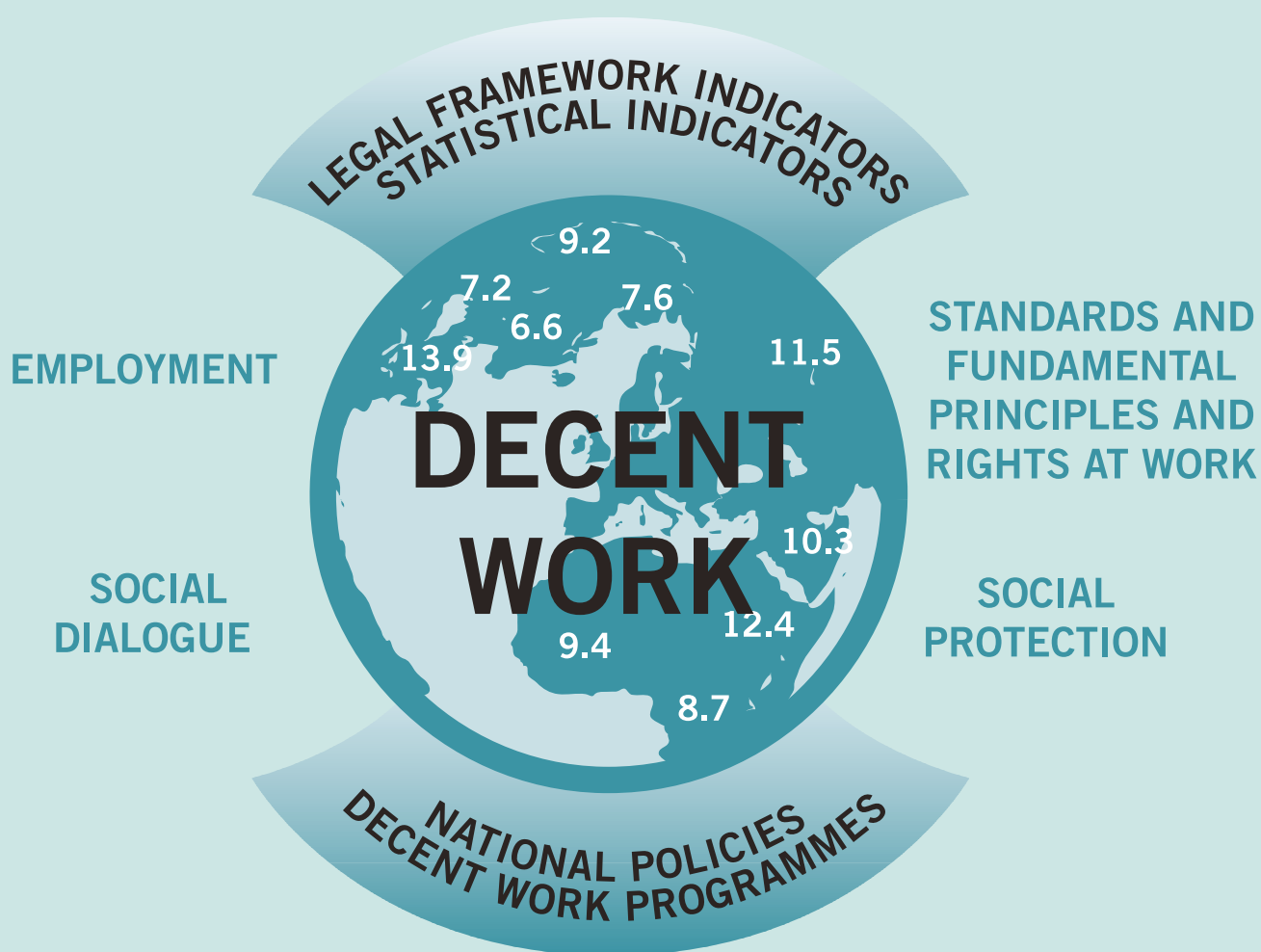
In the Philippines, the Bureau for Labor and Employment Statistics (BLES) has compiled information on key decent work indicators from the labour force survey and external sources such as the Department of Labor and Employment's administrative records. In order to make these data both more accessible and more relevant to non-specialist audiences, including policymakers and their advisors, and to the general public, so that decent work data are presented in a more transparent, engaging and relevant way, the BLES has developed an interactive, web-based database of decent work indicators in order to allow users to retrieve and save data, and generate their own comparative data tables and charts on key indicators of their choice. Being maintained online by BLES, the system would also open up the possibility of future "electronic-only" versions of the Decent Work Country Profile, or related national assessments of decent work. The ultimate aim of the initiative is to develop a one-stop portal for all decent work data, to facilitate more effective monitoring and assessment of progress toward decent work in the Philippines. The system is established and run by BLES, with the support of the National Statistical and Coordination Board (NSCB).

Steps have been also taken at regional level to harmonize concepts and definitions on decent work, develop common labour force survey questionnaires and build regional databases on decent work. These regional efforts are an important mean of developing sustainable national statistical systems on decent work.

PART

one two

Analysing employment and decent work



Chapter 1:

Analysing decent work: key principles



1. Analysing decent work: Key principles

This part of the toolkit contains a brief introduction to conducting an employment and decent work analysis from the decent work indicators described in the first part. An integrated approach that permits an analysis of all the dimensions of decent work together is essential for any assessment based on facts. Moreover, taking the national social and economic context into account as well as categories and groups (by gender, age, vulnerable group, etc.) is essential for an accurate measurement of progress on decent work.

1.1 National assessments of decent work: A key tool for policy making and national monitoring

The decent work indicators of the ILO framework are intended to support the monitoring of decent work at the country level and should therefore be analysed in a holistic manner. This will allow policy-makers and social partners to obtain a global picture of decent work deficits and of the progress made at a given point in time and will help them to identify any adjustments that are needed to national policies and programmes. The set of indicators from which the national analysis of decent work is developed, should also be reviewed in the light of major changes in the national context.

National assessments of progress towards decent work over a given period (generally, the last decade), entails the compilation of all available data (decent work statistics and legal information) from national sources, on the basis of national lists of indicators identified by a tripartite consensus. In analysing the trend in indicators, the assessments take into account the social and economic context as well as national policies and institutions. They identify the main areas where progress has been made over the period considered and the main areas where decent work deficits remain.

The assessments are used to inform national planning and policy-making. They help policy-makers to identify priority areas (i.e., the main decent work deficits) and provide baseline indicators that can serve to select target indicators for monitoring key policies and programmes that have a direct or indirect effect on employment and decent work.

In many countries that have developed such assessments national stakeholders and social partners have used these studies as a key advocacy tool for mainstreaming priority labour market issues in national development plans and for identifying key performance indicators for national monitoring frameworks.¹⁵

1.2 For an integrated analysis of decent work

Assessing progress on decent work needs to be based on a comprehensive list of qualitative and quantitative indicators in order to cover all dimensions of decent work, and to allow an integrated analysis of decent work, that goes beyond the collection of a disparate set of labour market indicators.

The ILO framework for the measurement of decent work provides a robust framework based on sound measurement principles for analysing qualitative and quantitative data in an integrated ap-

¹⁵ See ILO, *Manual on monitoring and assessing progress on decent work: Lessons learned from MAP project* (Geneva, 2013).

proach that ensures that the four decent work strategic objectives (employment, social protection, rights at work, social dialogue) which are all equally important and mutually reinforcing, are addressed together and as effectively as possible. Given that the various aspects of decent work are interrelated, the decent work indicators should be analysed all together rather than individually.

In order to assess progress towards decent work objectives at the national level over time, it is important that the indicators be analysed within the country's social, economic and institutional context and legal framework. The statistical indicators should therefore be analysed along with complementary legal indicators and context indicators (chapter 2).

Box 12: Guidelines on Assessing progress towards decent work at the national level

In compiling and analysing the nationally defined decent work indicators for regular assessments of progress towards decent work, several countries have sought further guidance to help them analysing decent work indicators together across various dimensions and interpreting recent trends.

The ILO guidelines on *Assessing progress on decent work at the national level*, prepared under the MAP project, are intended to serve as a valuable tool of ILO technical assistance to countries in analysing decent work indicators in an integrated approach and in preparing national assessments on decent work (Decent Work Country Profiles).

After presenting general issues with regard to the analysis of decent work indicators and the preparation of Country Profiles, the guidelines provide extensive guidance for analysing the indicators for each substantive element of the four pillars of the Decent Work Agenda, set out in the ILO framework for the measurement of decent work.

The guidelines are designed to be a pragmatic tool for national assessments of decent work, providing tips and suggestions for analysing both statistical and legal decent work indicators together with the national context. They complement the ILO manual on *Decent work indicators*, which focuses on concepts and definitions, methods of computation, data sources and metadata, and interpretation guidelines for each indicator. As the discussion and use of decent work indicators evolve, these guidelines might be updated, so as to incorporate feedback received and newly adopted conclusions on the measurement of decent work.

Finally, it is often useful to disaggregate decent work indicators for different subsets of the employed population (by age, sex, location, status in employment, sector of activity, etc.). The decent work indicators cover all workers, including women and men in the informal economy, and differences in access to decent work for men and women should be measured to ensure that gender issues are properly addressed. The majority of decent work indicators can be analysed by gender and some thematic topics among the ten substantive elements of decent work, have specific gender implications, such as “Equal opportunities and treatment in employment”(chapter 3).

Chapter 2:

The need to analyse decent work indicators together



2.1 Contextual information and linkages between indicators

National assessments of decent work need to analyze **linkages between decent work indicators** within and between the ten substantive elements of decent work: employment opportunities; adequate earnings and productive work; decent working time; combining work, family and personal life; work that should be abolished; stability and security of work; equal opportunity and treatment in employment; safe work environment; social security; and social dialogue, employers' and workers' representation (see Part I).

Decent work is a comprehensive concept and whose different aspects are interrelated. For example, the unemployment rate and the employment-to-population ratio, the hours of work per month and earnings per month, the frequency of excessive hours of work and the low-pay rate, the frequency of excessive hours of work and the occupational injury rate may all be related, as may occupational segregation by gender, the male-female wage gap and the type of jobs held by women.

The information on **the social and economic context** of a given country is essential for analysing the trend in decent work indicators, as well as the legal and policy framework, so that factors that hinder and promote progress towards decent work can be identified. Social, macroeconomic and demographic indicators (see Table 1) should be used when interpreting the indicators of each of the ten substantive elements of decent work. For instance economic growth, labour productivity and wages/earnings indicators may be interrelated; and minimum wage laws may have an impact on the wages/earnings indicators.

Background information on the country is also very useful. For instance, it is useful to know whether the country is a low, lower-middle, upper-middle or high-income country, whether it belongs to an economic and monetary union, the degree of openness of its economy (e.g., imports and exports as a percentage of GDP), its demographic situation (e.g., total fertility rate and dependency rate), the extent to which its economy is dependent on a particular sector such as mining or the garment industry (e.g., the contribution of this sector to GDP).

In addition, the complementarity of quantitative indicators and **contextual information on the legal and policy framework**, including rights at work, is an essential facet of the measurement of decent work¹⁶. Systematic information on rights at work and the legal framework for decent work needs to be compiled in order to analyze the statistical indicators on work and working conditions within the legal framework for decent work, including the effective application of rights at work. In particular, changes in rights at work and in the legal framework for decent work that countries introduce to develop national legislation or its application are important information for interpreting recent trends of statistical decent work indicators.

¹⁶ See GB.303/19/3, November 2008, available at: http://www.ilo.org/gb/GBSessions/WCMS_099708/lang--en/index.htm

Box 13. Key principles for analysing decent work indicators: the example of “employment opportunities” indicators

To measure progress in employment opportunities, three types of statistical indicators are proposed:

- i. employment opportunities measured in the *positive sense of more employment* : labour force participation rate and employment-to-population ratio;
- ii. employment opportunities measured in the *negative sense of an inability to find employment*: unemployment rate, youth unemployment rate, and youth not in employment and not in education or training;
- iii. general measures of the *quality and type of employment* available: employment by status, employment by level of educational attainment, informal employment rate, share of wage employment in non-agricultural employment, proportion of own-account and contributing family workers in total employment.

The legal framework indicators corresponding to these statistical indicators are “Government commitment to full employment” and “Unemployment insurance”.

These indicators should be analysed together, and interpreted in light of the socio-economic context and the legal and policy framework. This would include:

Information on national laws, regulations and policies concerned with promoting employment:

- Is there any legal commitment by the government to full employment, such as laws and the Constitution?
- What is the level of coverage of unemployment insurance (by type of workers, at least in the broad percentage ranges recommended by the ILO)?
- Are any important national policies or development plans concerned with job creation? Are there any major projects and programmes aiming to increase employment?
- Social and economic context:
- Is high or low population growth viewed as a problem in the country? What is the major effect on the labour supply, and the labour market?
- Are increases/decreases in the GDP accompanied by increases/decreases in labour productivity, in the labour share of GDP, in employment, in the inflation rate, in earnings inequality and in poverty rates? How can these economic and social indicators help to interpret the trend of employment indicators?

2.2 Need for caution in interpreting the trend in decent work indicators

The interpretation of the level and trend of statistical indicators requires careful analysis, as changes in each statistical indicator should be interpreted by taking into account underlying components and factors. It is recommended that statistical indicators be evaluated along with changes in other related statistical decent work indicators, with economic and social context indicators, and with the corresponding legal framework indicators.

In other words, no single statistical indicator (even a composite indicator) can determine the presence or absence of decent work. It is only by analysing a full set of selected decent work indicators - including context indicators and legal framework indicators - that the complex picture emerges regarding the progress made towards decent work at the country level.

Thus, a decline or an increase in a given indicator may point to progress in the corresponding dimension of decent work in one country but to a deterioration in another country, owing to differences in underlying components or factors. Thus:

- (i) *the increase in an indicator that would generally be interpreted positively may not necessarily correspond to an improvement in the situation*

For example, when high or increased the employment-to-population ratios and labour force participation rates (measuring employment in a positive sense) are observed, that does not necessarily indicate an improved situation for workers (especially in rural areas in developing countries). To interpret these two indicators properly, one must analyse complementary indicators, particularly, those on the type and quality of employment (employment by status, informal employment, share of wage employment).

- (ii) *a decline in a given indicator that would generally be interpreted positively may point to a deterioration in a given national context*

For example, a declining unemployment rate may generally be viewed positively if there is simultaneously growing demand for labour as indicated by an increasing employment-to-population ratio; on the other hand, it may be interpreted negatively if it is accompanied by a diminishing employment-to-population ratio outpaced by a declining labour force participation rate (persons leaving the labour force for various reasons such as discouragement over job prospects, educational opportunities, retirement).¹⁷

In developing countries, a high employment-to-population ratio is not necessarily a positive result, as it may signal for example limited education options for young people, minimal or non-existent unemployment assistance or other social benefits and/or economic hardship, while a very high ratio may indicate an abundance of low quality jobs. And a sharp rise in the employment-to-population ratio may entail a decrease in labour productivity if it is not matched by an increase in GDP.

In low-income countries, unemployment rates are generally low, since relatively few people can survive long periods of unemployment with low incomes and no unemployment insurance programmes. It is therefore important to complement this indicator with indicators on the quality and type of employment (informal employment, wage employment).

¹⁷ See the ILO guidelines on *Assessing Progress on Decent Work* at the national level (Geneva, ILO, 2013) and the ILO manual *Decent work indicators* (2013).

Box 14. Key principles for analysing decent work indicators: the example of “adequate earnings and productive work” indicators

Seven statistical indicators are selected to help countries to monitor the progress made in promoting adequate earnings and productive work: working poverty rate (MDG indicator), employees with low pay rate, mean hourly earnings in selected occupations, mean real earnings, minimum wage as a percentage of the median wage, manufacturing wage index, and employees with recent job training (see Table 1).

These indicators should be analysed in the light of the socio-economic context and the legal and policy framework in one country. This would include:

Information on national laws, regulations and policies concerned with promoting employment:

A statutory minimum wage is an important policy option for influencing wages, especially low wages, and setting a minimum wage is therefore a valuable tool for alleviating poverty as well as for improving gender equity because women are more likely than men to earn low wages. When analyzing the indicators on productive earnings, it is important to consider the coverage of minimum wage laws and the types of workers covered. Minimum wage laws often exclude workers in smaller enterprises and they are generally not applied effectively to workers in informal jobs. Collective bargaining agreements that set minimum wages for certain sectors or large numbers of workers should be also considered.

It is worth referring to any national policies or legal commitments for improving wages, especially for lower-wage workers. A statutory minimum wage is not the only way of influencing the level of wages; there are also policies to improve human capital and labour productivity, such as training and job placement, as well as active labour market and infrastructure development policies, and services to increase productivity in small farms. It is also worth discussing the coverage, quality and cost of public health care for workers (indicators on social protection) since it has a major effect on whether wages and income from work are sufficient to meet workers' basic needs.

Social and economic context:

It is important to analyse the extent to which changes in wages are related to changes in GDP per capita and labour productivity. Do increases in per capita income, labour productivity and economic development translate into higher real wages as one would expect? If not, why not? For countries with a deteriorating economy, have wages and/or labour productivity suffered? Have precarious workers been more affected during periods of economic crisis?

Complementary indicators

The minimum wage as a percentage of the median wage illustrates the extent to which the minimum wage is able to help workers meet their basic needs and may be analysed on the basis of the low-pay and working poverty rates. It is important to consider how well the minimum wage has kept its real value over time.

Another important issue is whether the low-pay rate is associated with excessive hours of work, since workers earning low pay may work longer hours in order to meet their basic needs.

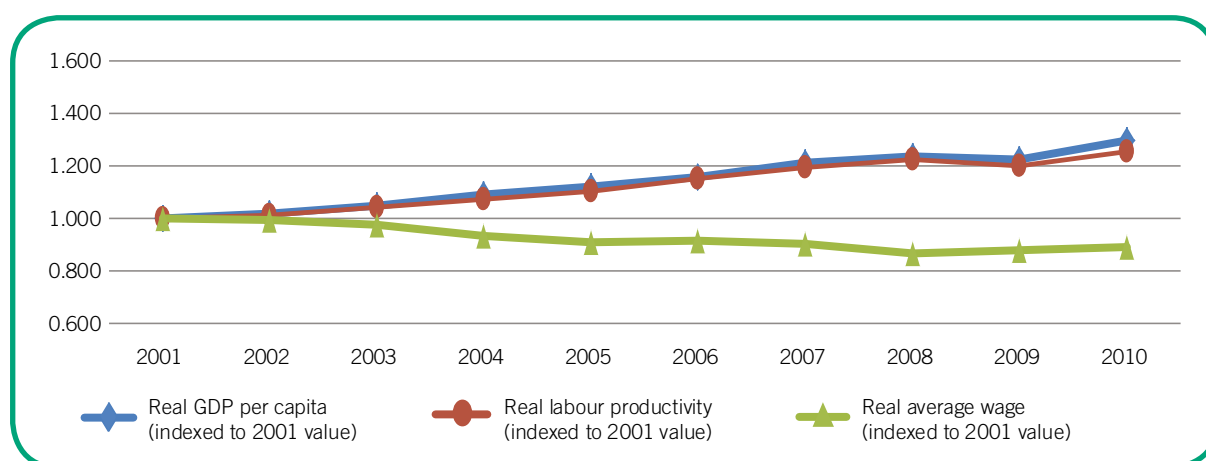
In the case of casual workers, the earnings of casual workers should be compared with average pay and with the low-pay threshold. Are the earnings of casual workers sufficient to meet basic needs?

2.3 Examples of figures and graphs

Figures and graphs such as those shown below may be used to analyse the linkages between indicators. By including different aspects of decent work in the same figure or graph, relationships between them may become apparent and thus be more likely to be addressed and analysed (see country examples below)¹⁸

Philippines. Real average wages fell relative to real GDP per capita and real labour productivity between 2001 and 2010

Figure 1: Change in real GDP per capita, real labour productivity and real average wages indexed to 2001, the Philippines 2001-2010

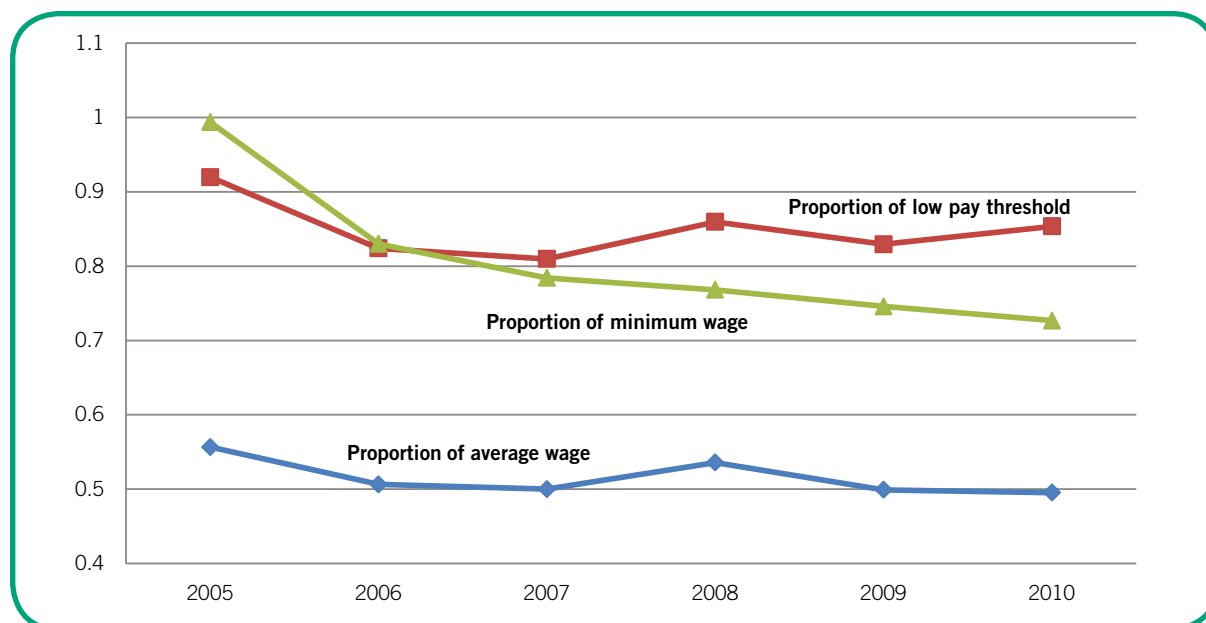


Source: Decent Work Country Profile of the Philippines, 2012

¹⁸ Examples of figures on other dimensions of decent work are available in ILO: *Assessing progress on decent work at the national level* (Geneva, 2013) and ILO: *Decent work indicators* (Geneva, ILO, 2013).

Indonesia. Wages of casual workers fell relative to the average wage, the low-pay threshold and the minimum wage between 2005 and 2010.

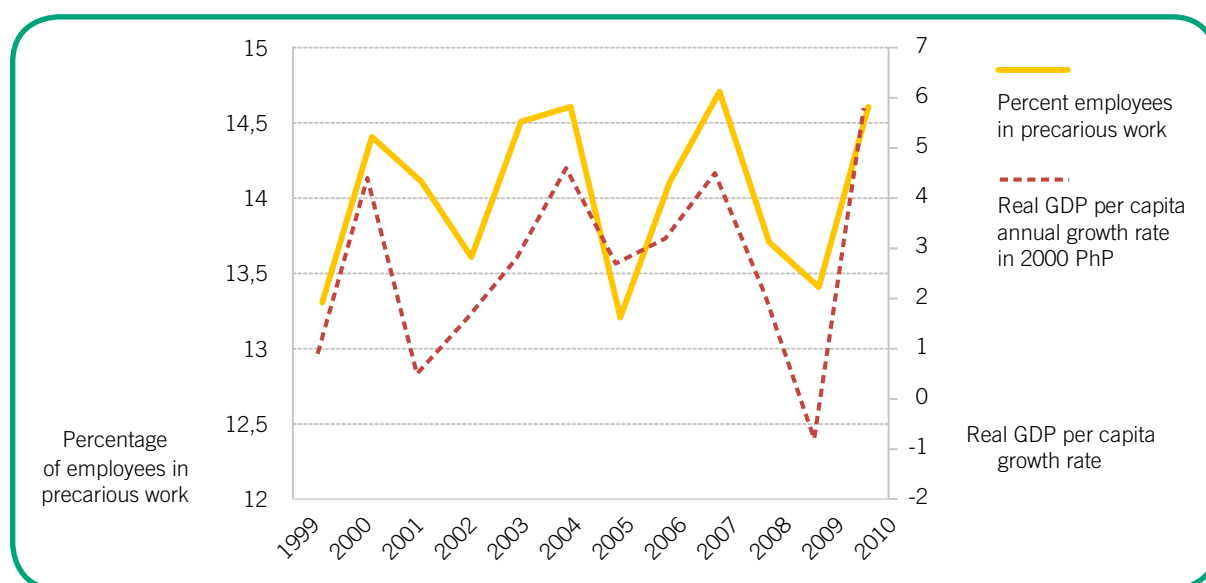
Figure 2: Relationship between wage of casual workers and average wage of employees, minimum wage and low-pay threshold Indonesia, 2005-2010



Source: Decent Work Country Profile of Indonesia, 2011

Philippines. The precarious employment rate rises and falls with changes in the economic growth rate, showing that cyclical factors (related to a business cycle) may have an impact on stability and security at work.

Figure 3: Relationship between percentage of employees in precarious work and real GDP per capita growth rate, Philippines, 1999-2010



Note: PhP: Philippines Pesos

Source: Decent Work Country Profile of the Philippines, 2012

Brazil. Possible relationship between the number of labour inspectors and number of the reported fatal occupational injuries, as both the number of inspectors and the number of reported occupational fatalities fell between 1996 and 2007 (the injury reporting system is weaker with less inspectors per employed).

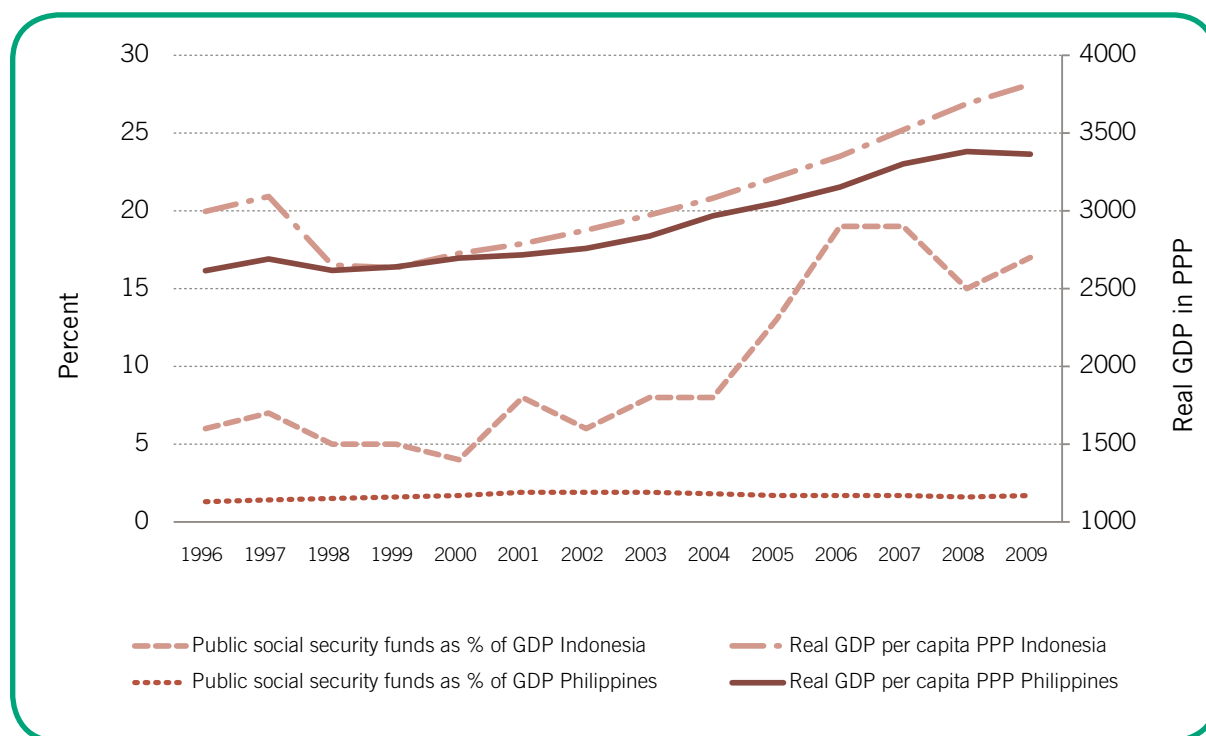
Figure 4: Number of fatal occupational injuries and number of labour inspectors per 100,000 employed persons, 1996-2007, Brazil.



Source: Decent Work Country Profile of Brazil, 2009

Indonesia and Philippines. Possible relationship between real GDP and social security expenditure as a percentage of GDP. Despite similar growth in real per capita income between 1996 and 2008 in both countries, public social security expenditure as a percentage of GDP grew rapidly in Indonesia but remained at a lower level and more or less unchanged in the Philippines.

Figure 5: Relationship between social security expenditure as a percent of GDP and real GDP in PPP, Indonesia and Philippines, (1996-2009)



Source: Decent Work Country Profile of the Philippines, 2012 and Indonesia, 2011.

Chapter 3:

Analyzing decent work indicators in different population groups



For a sound analysis of decent work it is recommended that the statistical indicators for different groups of population be disaggregated by sex, age, location (urban/rural), status in employment, educational attainment, occupation and economic activity.

Even if national statistical systems have their own classifications, it is recommended that the international classification systems be used to disaggregate the indicators, for the sake of international comparability (see Box 14).¹⁹

Box 15. Recommended disaggregation of statistical decent work indicators to allow for analysis by component group

Most of the indicators should be disaggregated by sex, i.e., for men and women separately in addition to the total.

The following classifications may be useful:

Age group, either by five-year age bands (10-14, 15-19, 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74 and 75 years and over) or by a broader classification (15-24, 25-34, 35-54, 55-64 and 65 and over).

Geographical coverage, by rural and urban areas or by other geographical classification according to national statistical definitions.

Educational attainment group, according to the International Standard Classification of Education (ISCED)

Status in employment, according to the latest International Standard Classification of Status in Employment (ICSE-93).

Economic activity group, according to the latest International Standard Industrial Classification of All Economic Activities (ISIC-Rev. 4) as well as by the national industrial classification system if one exists.

Occupation group, according to the latest International Standard Classification of Occupations (ISCO-08) as well as by the national occupational classification system if one exists.

Institutional sector, by public and private sector employment.

Weekly hours actually worked, according to standardized hour bands: (1) no hours actually worked (0 hours), (2) 1-14 hours, (3) 15-29 hours, (4) 30-34 hours, (5) 35-39 hours, (6) 40-48 hours, (7) 49 hours or more, and (8) total.

Type of incapacity, by permanent incapacity for work and temporary incapacity.

By way of example, the disaggregation of the employment-to-population ratio by component groups such as sex, age group, urban and rural areas, and educational attainment provides a measure by which to evaluate differences in employment between different population groups. Disaggregation of total employment by key classifications such as status in employment, economic activity, and occupation provides valuable information on the structure of employment whose changing composition will affect the employment-to-population ratio.

The quality and type of employment opportunities are measured through four indicators: employment status, informal employment, share of wage employment in non-agricultural employment, and proportion of own-account workers and contributing family workers in total employ-

¹⁹ For classifications recommended by the ILO, see <http://www.ilo.org/global/statistics-and-databases/classifications/lang--en/index.htm>

ment (vulnerable employment). These four indicators as general measures of quality and type of employment serve for interpreting the other dimensions of decent work. The statistical indicators on the other nine elements of decent work rely on these indicators as they help determine the effective coverage of laws and regulations that often do not cover actors in the informal economy effectively. For this reason it is generally useful to indicate the relative level of each indicator by gender, rural-urban area and disadvantaged group when appropriate.

3.1 Importance of analysing gender differences

The importance of capturing gender differences in access to decent work has been stressed many times. In order to shed light on gender aspects of decent work, indicators should be measured separately for women and men whenever possible.

In addition, the analysis of decent work indicators should not only provide gender disaggregation wherever possible in the decent work indicators but also draw attention to, and analyse thematic topics with particular gender implications (reflecting the different needs and constraints of women and men workers and specific concerns for living conditions of workers and their families), such as “combining work, family and personal life”, “decent working time and “equal opportunity and treatment in employment”²⁰.

The legal framework for gender issues is also an important reference point for analysing decent work indicators - for example, laws, policies and regulations that are intended to improve equal opportunity and treatment in employment by facilitating working life for women with family responsibilities (by means of breastfeeding breaks, maternity leave, family planning, health care, etc., or by combating sexual harassment and sexual violence at work). It is also important to indicate which sectors and industries are subject to the laws and regulations on equal opportunity and treatment in employment, together with an estimate of the proportion of workers covered.

Women and men are affected differently by labour laws and have different labour market outcomes. As data by gender exist for many if not most statistical decent work indicators, gender differences and gaps should be discussed and analysed in every dimension, including the extent to which there has been progress toward decent work for women in recent years.

3.2 Specific attention to young workers and (non-)educated youth

Many decent work indicators can be disaggregated by age group, and some are more relevant when analyzed this way. In developing countries, for example, the unemployment rate is typically higher among young people (especially better educated youth) and the distribution of unemployed by age and by level of education needs to be reported.

In developing countries, the indicator on youth not in employment, education or training (NEET) provides important complementary information. As a measure of youth who are outside the educational system, not in training and not in employment, it serves as a broad and complementary measure of the youth unemployment rate. A high NEET rate as compared with the youth unemployment rate could mean that a large number of young people are discouraged workers, or do not have access to education or training. This indicator should be analysed in conjunction with data on labour force participation rates by age, sex and educational attainment group.

²⁰ See ILO, GB.306/17/5, November 2009.

3.3 Importance of analysing differences for disadvantaged groups and most vulnerable workers

Almost every country has vulnerable groups of workers and disadvantaged groups because of the discrimination they face. These groups tend to be affected differently by labour laws and to have worse labour market outcomes than others. To the extent possible, therefore, decent work indicators should be disaggregated by social group, so as to analyse the situation for these disadvantaged groups in every dimension of decent work (employment opportunities, adequate earnings, decent working time, social security, etc.).

Concern for improving of the conditions of the most vulnerable workers requires that decent work statistical indicators measure as far as practical and relevant how many workers work under unacceptable conditions, with respect to the aspect of decent work that is measured. This often means that it is preferable to collect data on the tail of a distribution (or on the entire distribution) rather than only on the mean or the median.

3.4 Other possible disaggregation

Decent work indicators are generally analysed at the country level, but may also be disaggregated at *provincial and municipal level*. Brazil and Indonesia have already produced decent work indicators and prepared assessments by provinces and regional federations. This makes sense for very large and diverse countries, where a single national value for the decent work indicators is of limited value given the major differences that exist between regions.

Decent work indicators may also be disaggregated at the *sectoral level*. Indonesia and Uruguay have thus produced analysis by economic activity, using a national classification and the International Standard Industrial Classification of All Economic Activities²¹.

Decent work assessments for groups of countries may also be useful in a regional perspective, particularly for regional areas (e.g., southern Africa, Central America), economic and monetary unions (e.g., ASEAN, EU, MERCOSUR) or groups of countries at a similar level of economic development, since countries in a specific region or economic grouping or at a similar level of development may have much in common in terms of working conditions and data availability²².

Regional decent work analysis would increase interaction between countries, enrich their knowledge base and familiarize them with the best practices of comparable countries. It would also be very informative for the tripartite partners as it would offer an insight into regional progress towards decent work and be a valuable source of information for countries wishing to give added perspective to their national assessment of decent work.

²¹ See Ministry of Labour and Social Security, *Panorama del Trabajo Decente en Uruguay, con perspectiva sectorial 2006-2012* (2013, Montevideo), and ILO, *A Statistical Analysis of Decent Work Indicators at sector level: The Case of Indonesia* (preliminary report, ILO/MAP, 2013).

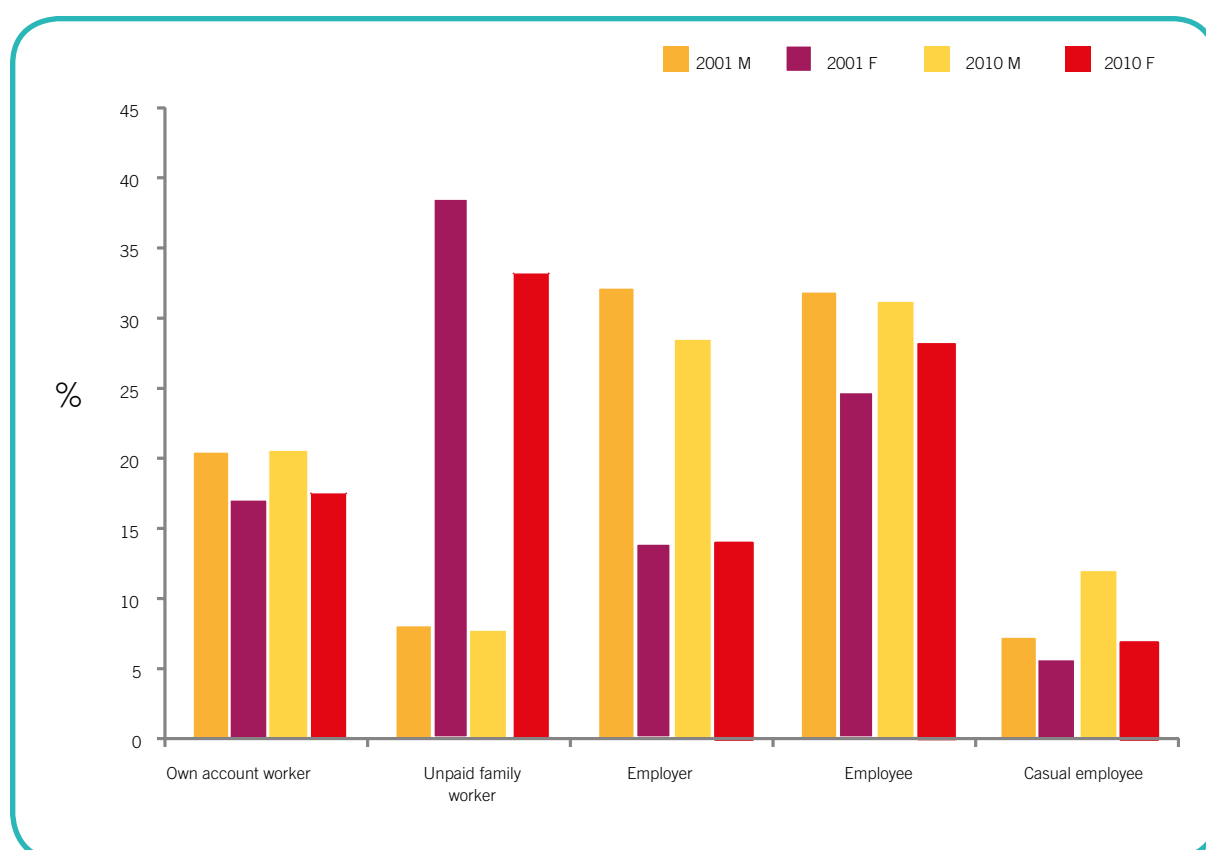
²² See *Decent work indicators in Africa: A first assessment from national sources* (Geneva, ILO, 2012) and ILO, *Statistical decent work indicators compiled by country groupings. Evidence from 14 pilot-countries* (forthcoming, ILO/MAP, Geneva).

3.5 Examples of figures and graphs

Finally, figures and graphs may help countries to analyse the decent work indicators for different population groups (see country examples below)²³.

Indonesia. According to the distribution of employment by employment status from 2001 to 2010, women are much more likely to be unpaid family workers and men much more likely to be employers; women and men have similar probabilities of being own account workers; there has been a large decrease over time in the proportion of women workers who are unpaid family workers, accompanied by a large increase in the proportion of women workers who are employees and casual employee; there has also been a large increase over time in the proportion of men who are casual employees, though they are likely to be so employed than women.

Figure 6: Percentage distribution of employment status for male and female workers, Indonesia, 2001 and 2010

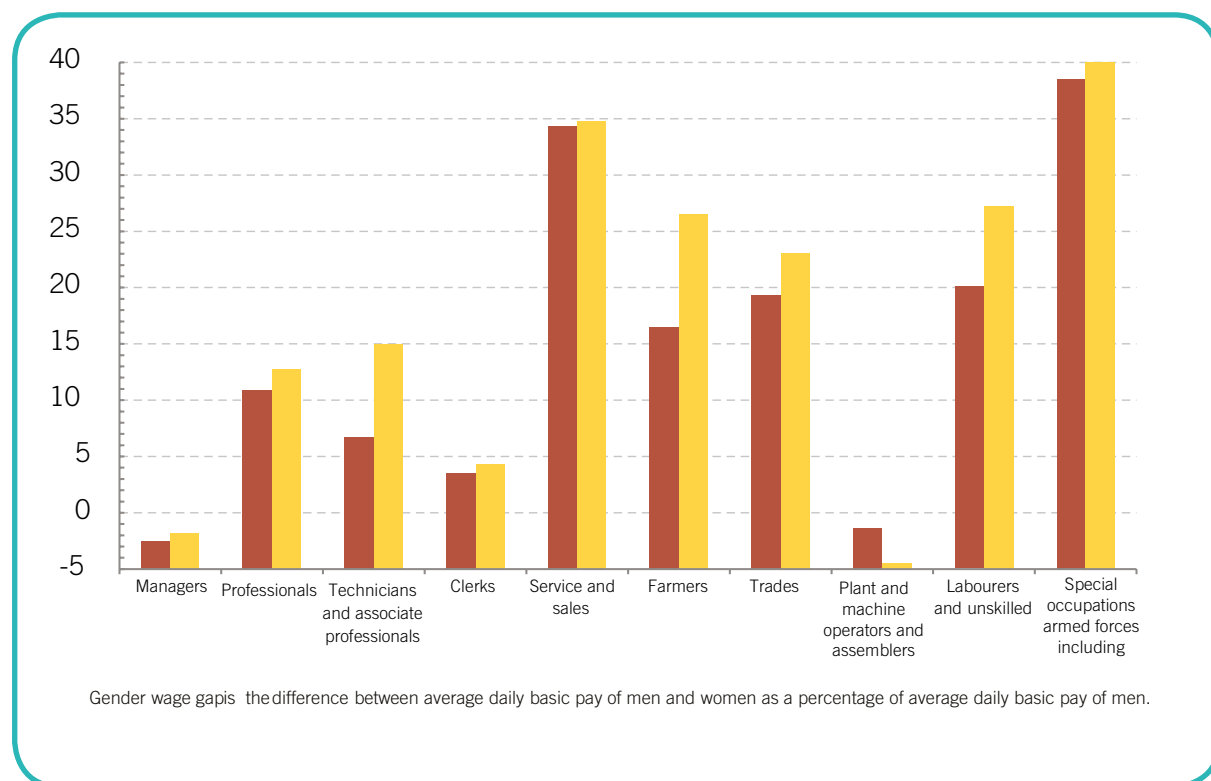


Source: Decent Work Country Profile of Indonesia, 2011

²³ Examples of figures on other dimensions of decent work are available in the ILO guidelines on *Assessing Progress on Decent Work at the national level* (Geneva, ILO, 2013).

Philippines. Gender wage gap across major occupational groups for two time periods, where the gender wage gap increased in nine of the ten major group occupations.

Figure 7: Gender wage gap for major occupational groups between 2001-02 and 2009-10, Philippines.

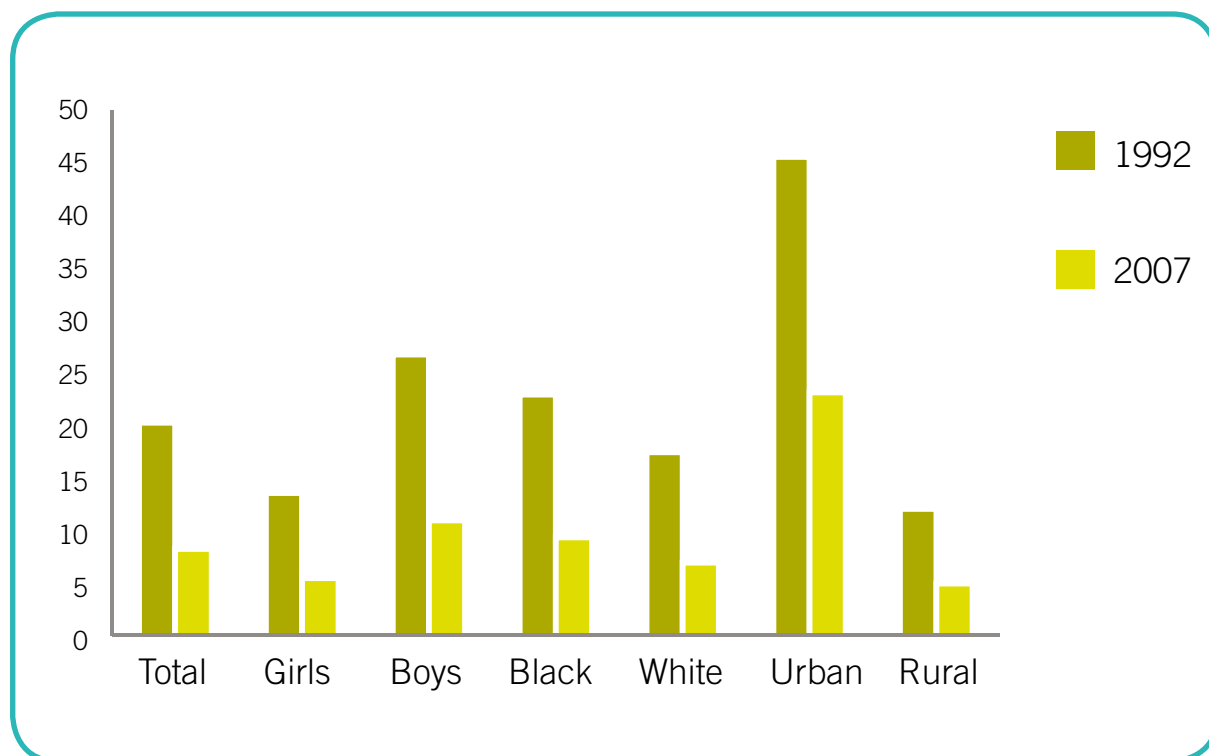


Note: the gender wage gap is defined as the difference between average daily basic pay of men and women as a percentage of average daily basic pay of men (National Statistical Office, Manila).

Source: Decent Work Country Profile of the Philippines, 2012

Brazil. The incidence of child labour (by age, sex, race and rural-urban area from 1992 to 2007) is higher for boys than for girls, for Blacks than for White, and for urban areas than for rural areas, and has fallen sharply over time since 1992.

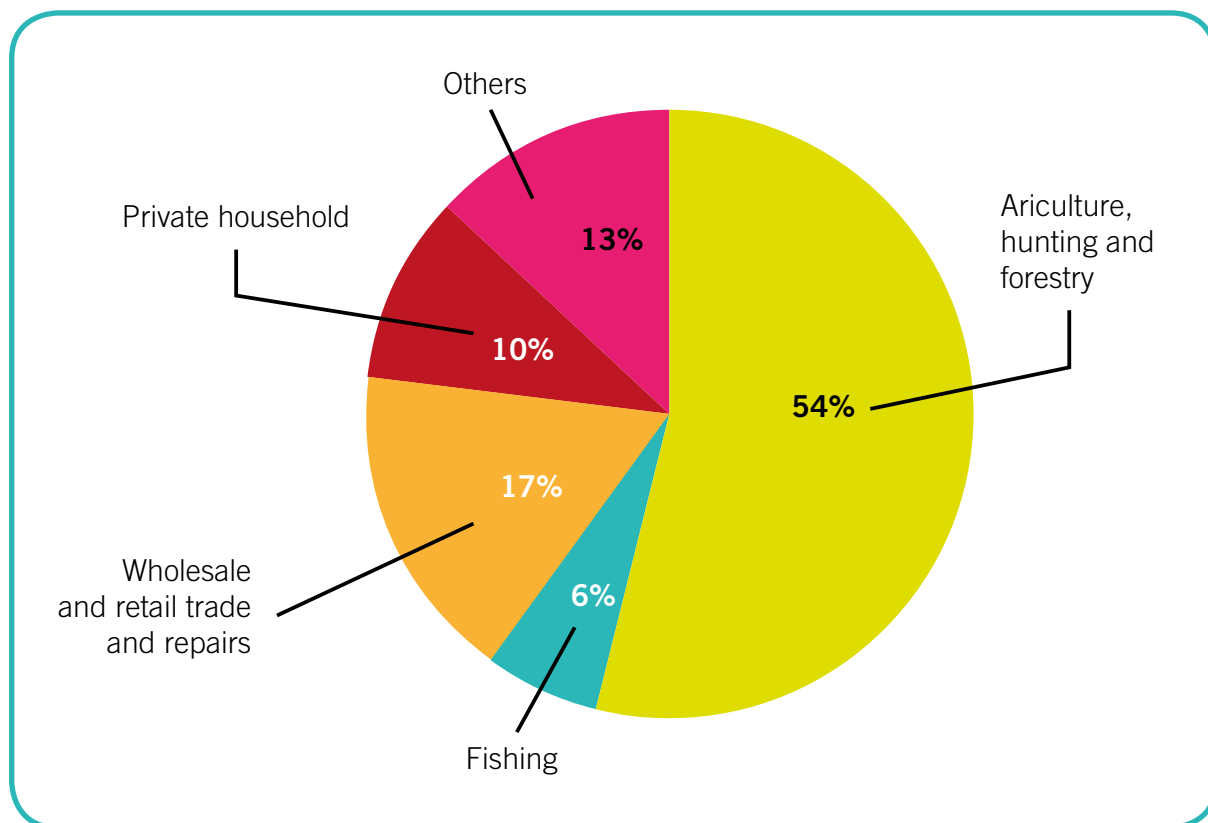
Figure 8: Child labour ages 10-14, Brazil, 1992-2007



Source: Decent Work Country Profile of Brazil, 2009

Philippines. According to the percentage distribution of child labour by major industry in 2010, 60 per cent of child labour is concentrated in agriculture, hunting, forestry and fishing.

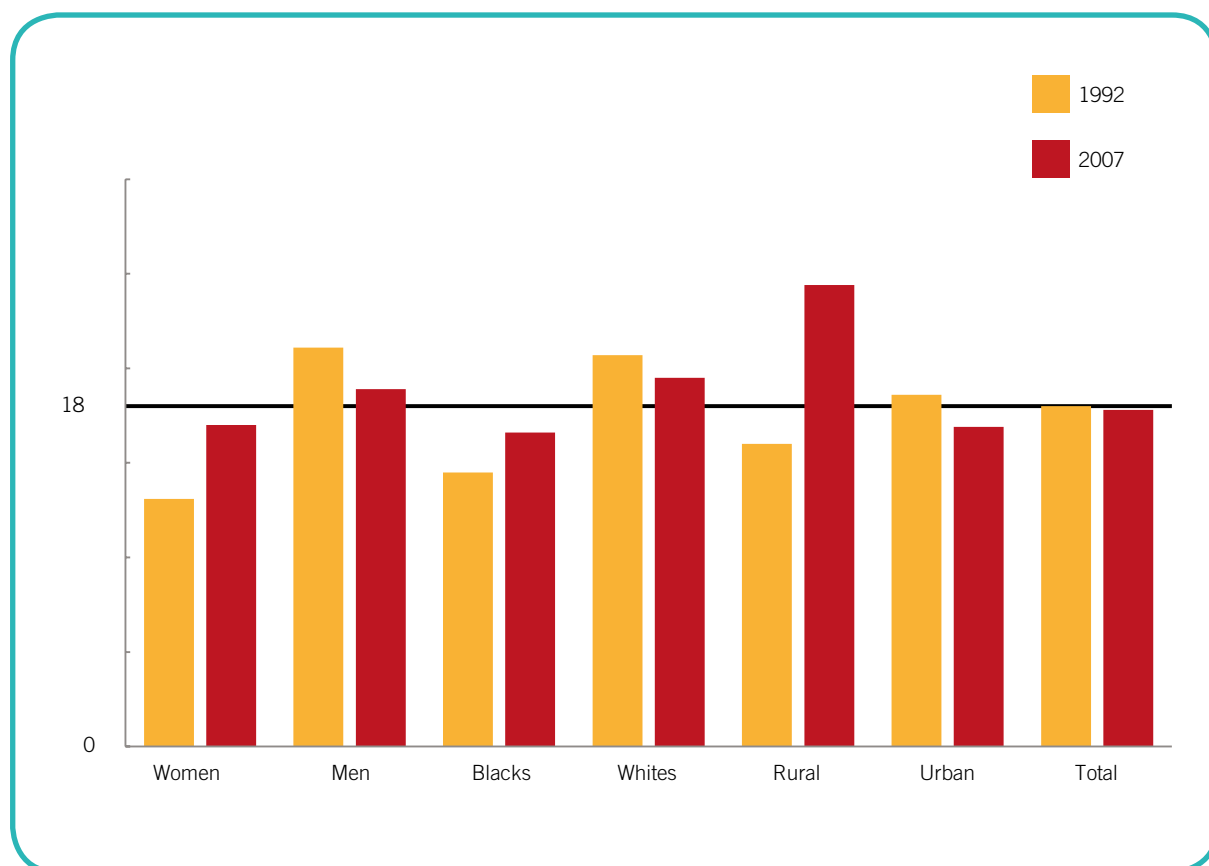
Figure 9: Percentage distribution of working children by major industry group, thr Philippines, 2010



Source: Decent Work Country Profile of the Philippines, 2012

Brazil. According to the union density rate by gender, area and disadvantaged groups from 1992 to 2007, union membership differs between groups and areas and has been changing in recent years; it grew much faster for women and Blacks than for men and Whites; but men and Whites were still in the majority in 2007; a large increase in union membership in rural areas was counterbalanced by a fall in urban areas.

Figure 10: Trade union density rate by sex, race and rural/urban residence between 1992 and 2007, Brazil.



Source: Decent Work Country Profile of Brazil, 2009

Chapter 4:

Other relevant issues (coverage, source, period)



4.1 Importance of indicating approximate coverage of the legal framework and statistical indicators

It is important to provide some idea of the effective coverage of laws and regulations, without which users of the data would be obliged to draw their own conclusions as to how many and what type of workers benefit from favourable legal provisions. Even the approximations suggested by the ILO (few, some, about half, many, most, almost all) are helpful. For example, it is sometimes sufficient to indicate that relatively few workers (say, less than around 10 per cent) are effectively covered, as may be the case in low-income countries with many small farms in rural areas and a large informal sector in urban areas.

An indication of the type of workers covered by the statistical indicators is also useful, as indicators (on safe work, for example) are often based on administrative records that cover only large establishments in the formal sector.

4.2 Usefulness of describing important data sources

Analysing decent work indicators usually relies on a limited number of data sources, such as labour force surveys, other household surveys, population censuses, establishment surveys and administrative records, each covering different types of workers. Household surveys and population censuses typically collect information on everyone and labour force surveys on all persons of working age, i.e., on all workers without exception. Establishment surveys and administrative records, on the other hand, collect information on employees only, generally those in large formal sector establishments and national public agencies, that is to say on just one (albeit important) segment of the labour force which tends to have relatively better working conditions, especially in developing countries with a big informal sector and a large number of small farms. A short description of each major source used (e.g., years, sample sizes, coverage of workers and sectors, etc.) is valuable when analysing decent work indicators together.

4.3 Periods to be considered for analysing decent work indicators

■ Minimum number of years of data required for assessing the decent work situation

The situation for workers as regards decent work can be assessed with data for one recent year, although assessing progress toward decent work requires data for several years.

■ Minimum range of years of data required for assessing progress towards achieving decent work

Although it is not possible to set a precise figure, less than five years is rarely sufficient for assessing progress towards decent work, because many statistical decent work indicators change slowly over time. In most circumstances 8-10 years is sufficient, though 10 or more years is preferable. Whether 5-7 years is sufficient depends on circumstances: in countries whose economy is changing rapidly (such as economies in transition from a centrally planned economy to a free market, countries emerging from a period of war or internal conflict, and countries with unusually rapidly economic growth), five years may be sufficient.

■ Annual data for assessing progress towards decent work

Annual data are required for assessing changes in decent work related to business cycles and short-term economic shocks, but not for analysing changes in decent work related to structural factors. In the latter case, data for two years may be sufficient to monitor progress towards decent work if the years are sufficiently separated in time. For example, it would be acceptable for monitoring progress toward decent work to use data from labour force surveys conducted every five years or censuses conducted every 10 years.

■ Interpretation of decent work indicators for unusual years

Regardless whether the data are annual or for selected years only, it is very important to consider if the first year and/or end-point year are unusual as this may significantly affect interpretation, especially of change. For example, if 2008 is the last year with data, progress towards decent work will tend to be understated because of that year's world-wide financial crisis.

4.4 Regularity of reporting on progress toward decent work

Ideally, it would be useful for countries to report regularly on their progress towards decent work. In practice however, such frequency may not be ideal, as many statistical indicators change slowly and laws generally do not change each year.

Moreover, statistical indicators on decent work are subject to measurement errors, especially non-sampling error due to changes in definitions, questionnaire design, quality of fieldwork and quality of administrative records, which in some cases can be quite significant. Measurement error is especially large in indicators drawn from administrative records and common where small annual changes in statistical decent work indicators. For some decent work indicators it may be unwise to focus too much on reported change from one year to the next, and preferable to use averaging techniques over several years.

Preparing annual or biannual assessments on decent work may well make sense for countries with relatively advanced statistical systems, partly because the precision of statistical estimates will most likely be acceptable, especially if techniques such as moving averages of annual values are used where appropriate. Also, such countries are more likely to have the necessary staff and expertise to produce national assessments every one or two years.

For countries without such advanced statistical systems (which would include most developing countries), a national assessment on decent work every 5 to 10 years would be more appropriate, as real change will be more apparent, there will be fewer unremarked measurement errors and scarce national expertise and resources will not be placed under undue pressure.

CONCLUSION



Conclusion: monitoring decent work at the national level

The main steps for monitoring decent work at the national level

The global methodology to monitor progress towards decent work developed from the experience gained in the MAP project is a process that encompasses four distinct aspects (Graph 2):

- (1) **the identification of a set of qualitative and quantitative indicators** that can be used to measure progress towards decent work at the country level (on the basis of the ILO framework);
- (2) **the collection of statistical data and qualitative information** related to selected decent work indicators;
- (3) **the analysis and interpretation of decent work indicators and statistics** in order to obtain a dynamic picture of progress and gaps in the countries' advance towards decent work, which informs policy makers;
- (4) the **targeting process**: national studies on progress towards decent work help identify key **priority areas** on the basis of the main decent work deficits for (re)designing priority policies and programmes; they also help identify **target indicators** from the baseline information they provide, that can be used for ex-ante impact assessments; these target indicators are essential for monitoring revised or future policies and programmes, that focus directly or indirectly on employment, social protection, rights at work and social dialogue."

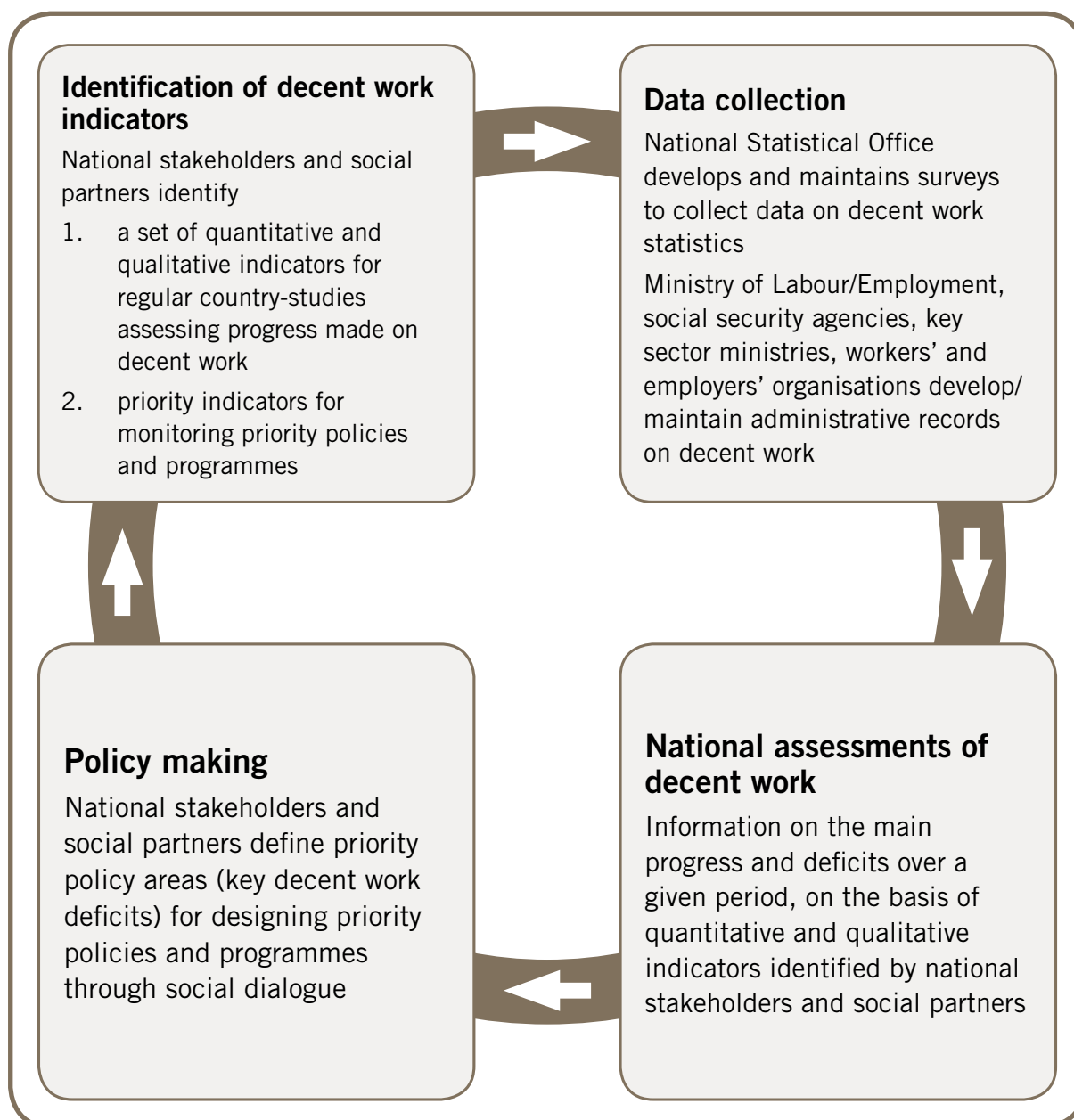
Mainstreaming decent work in European Commission development cooperation

The global methodology for monitoring decent work, and the related technical tools developed under the MAP project from the pilot-countries experience, provide a step-by-step guidance to national stakeholders (see Part I).

The European Commission development cooperation programmes, including budget support operations, may provide technical and financial assistance to developing countries having adopted – or are in the process of developing - decent work programmes to:

- (1) produce reliable and regular data on decent work, through enhanced **national labour market information systems**, in particular by upgrading labour force surveys and administrative records, and strengthening institutional coordination mechanisms;
- (2) identify **priority decent work goals and targets** in national planning and programming, in particular sectoral policies, for monitoring purposes;
- (3) produce **regular assessments** on progress made towards decent work over a certain period, at the national level but also at the sectoral level and when relevant, at the provincial/local level

Methodological tools for assessing the impact of sectoral policies and reforms, as well as regional policies, on quantitative and qualitative aspects of employment and decent work vary from country to another according to national circumstances and available data. They are generally based on social accounting matrix and multiplier models, as well as general or partial equilibrium models. National capacities in using such tools to assess impacts on employment and decent work are generally weak in developing countries, while employment and decent

Graph 2. The main steps for monitoring decent work at the country level

work objectives have been recently put at the core of the national development strategies of the majority of these countries.

The European Commission development cooperation programmes may provide technical and financial assistance to develop such tools on **impact assessments of national and sector policies on employment and decent work**, in particular in the main sectors of development cooperation (rural development, energy, infrastructure, private sector...) in order to strengthen national capacities in the design and the monitoring of coherent and relevant policies and programmes that maximise the potential impacts on employment and decent work.

It is essential to develop a clear methodological framework on decent work impact assessments that can help developing countries to enhance decent work objectives in the design and the monitoring of policies. This methodological framework is to be developed from country experiences and best practices. For example, in Indonesia, a pilot-study on ex-ante impact assessment of public policies at the regional and sectoral levels conducted under the MAP project, uses an inter-regional social accounting matrix covering five regions (Sumatra, Java and Bali, Kalimantan, Sulawesi, East Indonesia) and a large range of economic sectors. It aims to assess the impact of key sectoral reforms envisaged under the Masterplan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI), on various dimensions of decent work - such as jobs creation, informal employment, earnings, working time, stability at work, social protection, and rights at work - within a broad question on the impact of the implementation of the MP3EI on economic growth, income distribution and employment. The pilot study focuses the analysis at the regional level by taking into account the economic corridors, and the potentials and strategic roles of each major island of Indonesia. It is based on the decent work indicators produced at the sectoral level and at the provincial level under the MAP project.

ANNEX

Table A. Measurement of decent work based on guidance received at the Tripartite Meeting of Experts on the Measurement of Decent Work (September 2008), including revisions introduced during the pilot phase (2009-13)

Substantive element of the Decent Work Agenda	Statistical Indicators	Legal Framework Indicators
<p>Numbers in parentheses in the first column below refer to ILO strategic objectives:</p> <ol style="list-style-type: none"> Standards and fundamental principles and rights at work; Employment; Social protection; Social dialogue. 	<p>Selection of relevant statistical indicators that allow monitoring progress made with regard to the substantive elements.</p> <p>M – Main decent work indicators</p> <p>A – Additional decent work indicators</p> <p>F – Candidate for future inclusion / developmental work to be done by the Office</p> <p>C – Economic and social context for decent work (S) indicates that an indicator should be reported separately for men and women in addition to the total.</p>	<p>L – Descriptive indicators providing information on rights at work and the legal framework for decent work.</p> <p>Description of relevant national legislation, policies and institutions in relation to the substantive elements of the Decent Work Agenda; where relevant, information on the qualifying conditions, the benefit level and its financing; evidence of implementation effectiveness (as recorded by ILO supervisory bodies); estimates of coverage of workers in law and in practice; information on the ratification of relevant ILO Conventions.</p>
<p>Employment opportunities (1 + 2)</p>	<p>M – Employment-to-population ratio (S)*</p> <p>M – Unemployment rate (S)</p> <p>M – Youth not in employment, education, or training, 15-24 years (S)*</p> <p>M – Informal employment rate (S)*</p> <p>A – Labour force participation rate (1) [to be used especially where statistics on Employment-to-population ratio and/or Unemployment rate (total) are not available]</p> <p>A – Youth unemployment rate, 15-24 years (S)</p> <p>A – Unemployment by level of educational attainment (S)*</p> <p>A – Employment by status in employment (S)</p> <p>A – Proportion of own-account workers and contributing family workers in total employment (S)* [to be used especially where statistics on informal employment are not available]</p> <p>A – Share of wage employment in non-agricultural employment (S)</p> <p>F – Labour underutilization (S)</p> <p>Memo item: Time-related underemployment rate (S) grouped as A under “Decent Working time”</p>	<p>L – Government commitment to full employment</p> <p>L – Unemployment insurance</p>

Substantive element of the Decent Work Agenda	Statistical Indicators	Legal Framework Indicators
Adequate earnings and productive work (1 + 3)	<p>M – Working poverty rate (S)*</p> <p>M – Employees with low pay rate (below 2/3 of median hourly earnings) (S)*</p> <p>A – Average hourly earnings by occupation group (S)*</p> <p>A – Average real wages (S)</p> <p>A – Minimum wage as a percentage of median wage</p> <p>A – Manufacturing wage index</p> <p>A – Employees with recent job training (past year / past 4 weeks) (S)</p>	L – Statutory minimum wage*
Decent Working Time (1 + 3)*	<p>M – Employment in Excessive Working Time (more than 48 hours per week) (S)*</p> <p>A – Employment by weekly hours worked (hours in standardized hour bands) (S)*</p> <p>A – Average annual working time per employed person (S)*</p> <p>A – Time-related underemployment rate (S)</p> <p>F – Paid annual leave (developmental work to be done by the Office; additional indicator)</p>	<p>L – Maximum hours of work</p> <p>L – Paid annual leave</p>
Combining work, family and personal life (1 + 3)	<p>F – Asocial / unusual hours (developmental work to be done by the Office)</p> <p>F – Maternity protection (developmental work to be done by the Office; main indicator)</p>	<p>L – Maternity leave (including weeks of leave, and rate of benefits)</p> <p>L – Parental leave*</p>
Work that should be abolished (1 + 3)	<p>M – Child labour rate [as defined by ICLS resolution] (S)*</p> <p>A – Hazardous child labour rate (S)*</p> <p>A – Rate of worst forms of child labour (WFCL) other than hazardous work (S)**</p> <p>A – Forced labour rate (S)**</p> <p>A- Forced labour rate among returned migrants (S) **</p>	<p>L – Child labour (including public policies to combat it)</p> <p>L – Forced labour (including public policies to combat it)</p>
Stability and security of work (1, 2 + 3)	<p>M - Precarious employment rate **</p> <p>A - Job tenure**</p> <p>A - Subsistence worker rate**</p> <p>A – Real earnings of casual workers** (S)</p> <p>Memo item: Informal employment is grouped under employment opportunities.</p>	<p>L – Termination of employment* (incl. notice of termination in weeks)</p> <p>Memo item: 'Unemployment insurance' is grouped under employment opportunities; needs to be interpreted in conjunction for 'flexicurity'.</p>

Substantive element of the Decent Work Agenda	Statistical Indicators	Legal Framework Indicators
Equal opportunity and treatment in employment (1, 2 + 3)	<p>M – Occupational segregation by sex</p> <p>M – Female share of employment in senior and middle management*</p> <p>A – Gender wage gap</p> <p>A – Share of women in wage employment in the non-agricultural sector</p> <p>A – Indicator for Fundamental Principles and Rights at Work (Elimination of discrimination in respect of employment and occupation) to be developed by the Office.</p> <p>A – Measure for discrimination by race / ethnicity / of indigenous people / of (recent) migrant workers / of rural workers where relevant and available at the national level to be developed by the Office.</p> <p>F – Measure of dispersion for sectoral / occupational distribution of (recent) migrant workers</p> <p>F – Measure for employment of persons with disabilities.</p> <p>Memo item: Indicators under other substantive elements marked (S) indicator should be reported separately for men and women in addition to the total.</p>	<p>L – Equal opportunity and treatment*</p> <p>L – Equal remuneration of men and women for work of equal value*</p>
Safe work environment (1 + 3)	<p>M – Occupational injury frequency rate, fatal*</p> <p>A – Occupational injury frequency rate, nonfatal*</p> <p>A – Time lost due to occupational injuries</p> <p>A – Labour inspection (inspectors per 10,000 employed persons)</p>	<p>L – Employment injury benefits*</p> <p>L – Occupational safety and health (OSH) labour inspection</p>
Social security (1 + 3)	<p>M – Share of population above the statutory pensionable age (or aged 65 or above) benefiting from an old-age pension (S) *</p> <p>M – Public social security expenditure (percentage of GDP)</p> <p>A – Healthcare expenditure not financed out of pocket by private households</p> <p>A – Share of economically active population contributing to a pension scheme (S) *</p> <p>F – Share of population covered by (basic) health care provision (S) (to be developed by the Office; additional indicator)</p> <p>F – Public expenditure on needs based cash income support (% of GDP)</p> <p>F – Beneficiaries of cash income support (% of the poor)</p> <p>F – Sick leave (developmental work to be done by the Office; additional indicator)</p> <p>[Interpretation in conjunction with legal framework and labour market statistics.]</p>	<p>L – Old-age social security or pension benefits (public/private)*</p> <p>L – Incapacity for work due to sickness / sick leave</p> <p>L – Incapacity for work due to invalidity</p> <p>Memo item: 'Unemployment insurance' is grouped under employment opportunities.</p>

Substantive element of the Decent Work Agenda	Statistical Indicators	Legal Framework Indicators
Social dialogue, workers' and employers' representation (1 + 4)	<p>M – Trade union density rate (S) *</p> <p>M – Employers' organization density rate (ED) (S)*</p> <p>M – Collective bargaining coverage rate (S)</p> <p>M/F – Indicator for Fundamental principles and rights at work (Freedom of association and collective bargaining) to be developed by the Office; main indicator</p> <p>A – Days not worked due to strikes and lockouts*</p>	<p>L – Freedom of association and the right to organize</p> <p>L – Collective bargaining right</p> <p>L – Tripartite consultations</p>
Economic and social context for decent work	<p>C – Children not in school (percentage by age) (S)</p> <p>C – Estimated percentage of working-age population who are HIV-positive</p> <p>C – Labour productivity (GDP per employed person, level and growth rate)</p> <p>C – Income inequality (90:10 ratio)</p> <p>C – Inflation rate (Consumer Price Index, CPI)</p> <p>C – Employment by branch of economic activity</p> <p>C – Education of adult population (adult literacy rate, adult secondary-school graduation rate) (S)</p> <p>C – Labour share of Gross Value Added (GVA)*</p> <p>C (additional) – Real GDP per capita (level and growth rate)*</p> <p>C (additional) – Female share of employment by economic activity (ISIC tabulation category)*</p> <p>C (additional) – Wage / earnings inequality (90:10 ratio)*</p> <p>C (additional) – Poverty measures **</p>	<p>L – Labour administration**</p> <p>Developmental work to be done by the Office to reflect environment for Sustainable enterprises, incl. indicators for (i) education, training and lifelong learning, (ii) entrepreneurial culture, (iii) enabling legal and regulatory framework, (iv) fair competition, and (v) rule of law and secure property rights. Developmental work to be done by the Office to reflect other institutional arrangements, such as scope of labour law and scope of labour ministry and other relevant ministries.</p>

Source: ILO compilation on the basis of the Discussion paper for the Tripartite Meeting of Experts on the Measurement of Decent Work (Geneva, 8 -10 September 2008).

*Wording modified by ILO in the pilot phase; ** Indicator added by ILO in the pilot phase (2009-2013).

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Mainstreaming decent work in European Commission development cooperation Toolkit

In recent years the objective of decent work has been consistently highlighted in European Union policy statements. The European Commission's support for decent work is a means of promoting European values and a European model of development that combines economic competitiveness and social justice. Development and Cooperation–EuropeAid is actively helping to raise awareness and enhance understanding of decent work and employment concepts in European Union delegations throughout the world.

This toolkit aims to be a pragmatic and useful tool to help the European Commission mainstream employment and decent work in its development cooperation projects and programmes. It provides guidance for European Union representatives and managers involved in national and regional programmes so that they can reflect employment and decent work concerns in their work.

This toolkit has been prepared on the basis of the global methodology on monitoring and assessing progress towards decent work and the related technical tools developed under the ILO/EC *Monitoring and Assessing Progress on Decent Work* (MAP) project, from the experience gained in the project countries and best practices.

First, it presents the decent work indicators as set out in the ILO global framework on the measurement of decent work that has been widely used in the MAP project and in countries all over the world, covering the ten substantive element of the four pillars of the Decent Work Agenda: employment opportunities; adequate earnings and productive work; decent working time; combining work, family and personal life; work that should be abolished; stability and security of work; equal opportunity and treatment in employment; safe work environment; social security; and social dialogue, employers' and workers' representation.

Secondly, it provides guidance on analysing the decent work indicators in an integrated approach, that ensures that the four decent work strategic objectives - employment, social protection, rights at work, social dialogue - are addressed together, and on analyzing the decent work indicators within the social and economic context and the legal and policy framework, and across different categories of workers.

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