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SOCIAL PROTECTION SYSTEMS STRENGTHENING (SPSS) PROJECT

Understanding labor market related terms, data and information sources

Yerevan, Armenia, March 19, 2008

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Presentation Outline

- Basic concepts on labor market
- Methodological differences
- Information sources
- Important points for journalists

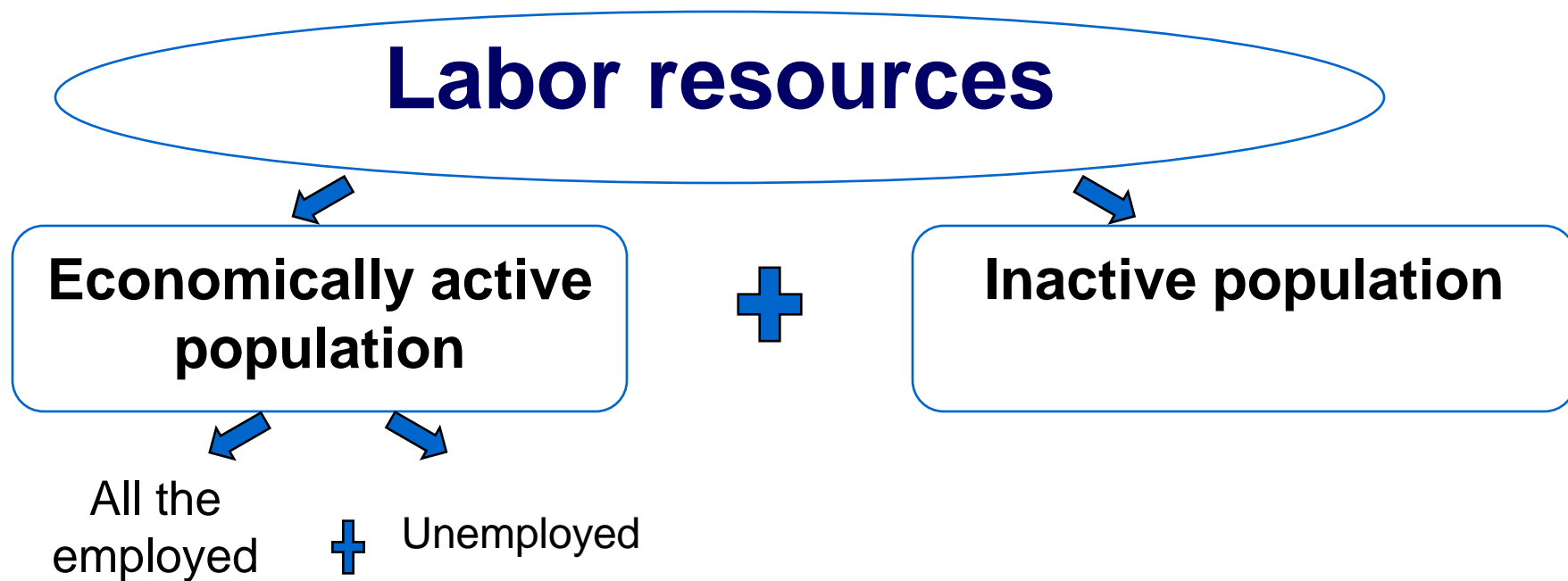


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Basic concepts on labor market

- *Labor resources*
- *Economically active population (active labour force)*
- *Economically inactive population*
- *Labour force participation rate*
- *Employment rate*
- *Unemployment rate*



- *Employable population of working age, working pensioners and working adolescents.*



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Economically active population (active labour force)

- Employed + unemployed population, which ensures the supply of **labor force** for creating goods and services in the reporting period.





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Labor force participation rate

share of economically active population in

- the population of the relevant age group
- the total labor resources.



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Economically inactive population

includes

- people of working age, who are not in the labor force,
- do not work and do not search for job in the reporting period,
- who are not employed or are unemployed

in particular:

- full time students in the day shift
- persons engaged in housekeeping
- those taking care of children or sick relatives/family members
- people who do not work for various reasons and **do not search for a job.**





Who are the employed?

The employed population includes persons working full-time and part time and those who are engaged in seasonal, temporary and casual or one-time work.

Employment include:

- both **wage-earners** (hired employees) and **non wage-earners** regardless of the time when they were paid or receive income from their activity,
- those who are **temporarily absent** from the work because of illness, care after a sick family member,
- are on **annual leave or holidays**,
- on vocational training,
- are in paid or non-paid lay-off initiated by the employer,
- are in strike or other reasons.





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According to ILO standard definition the employed are:

Persons who during the reference week (one week prior to observation)

- performed paid or unpaid work at least one hour for pay or profit (irrespective of remuneration or income date),
- were temporarily not at work for any specific reason,
- performed work without remuneration in family owned enterprises





Who are not employed?

Employment does not include:

- voluntary unpaid work for household or organizations
- construction or reconstruction of a private house, flat, house work
- the begging and the theft even if they provide sufficient income

Underemployment: Underemployment includes:

- persons having occupation but not working full-time,
- persons wishing and willing to work extra hours.





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What is the employment rate?

Can be measured as:

- share of employed among total population
- share of employed among labour resources
- share of employed among working age population
- share of employed among employable population of working age



Who are the unemployed?

According to RA legislation *the unemployed (officially registered)* are:

- job seeking able-bodied and employable people, who do not have a job and do not receive pensions defined by RA legislation (excluding survivors pensions)
- were registered in the state employment service for job placement,
- were ready to set to suitable work and
- got a status of unemployed



Who are the unemployed? (ILO definition)

According to International Labor Organization (ILO) standard definition ***the unemployed are persons*** (15 years and older) who in the observation period, met all the conditions below:

- have no job or a profitable occupation
- during the four weeks prior to the survey were searching for a job, that is they have applied to state employment service, or were searching a job through their relatives, friends, announcements or any other source,
- were ready to start work during the next two weeks.



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What is the unemployment rate?

- Share of unemployed among **economically active population**



What is the duration of unemployment?

The duration of unemployment (job search duration) is the time when the citizen is searching for a job irrespective of the way of searching it. The duration of unemployment has two characteristics:

- **duration of completed unemployment**, is the time period between job search and job placement.
- **duration of incomplete unemployment** is the time period between job search and the moment of official registration of unemployment.



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What is informal employment?

Informal employment / hidden employed are:

- **wage-earners** who work with a verbal agreement with the employer (without a contract, order or other documents defined by the legislation)
- **employers and the self-employed** who perform unregistered economic activity.





Information sources

NSS RA publications:

- [Labour Market In The Republic of Armenia, 2003-2006](#)
- [Labor Force In The Republic of Armenia 2001-2006](#)
- [Socio-economic Situation of The Republic Of Armenia](#)
- [Food Security And Poverty January-December 2007](#)
- [Social Snapshot and Poverty In Armenia, 2007](#)
- [Statistical Yearbooks](#)

NSS Surveys

- [ILCS](#)
- [LFS](#)
- [Regular statistical reporting](#)

Official data

- [SESA](#)





Classifications used

- *Branch of economic activity:* National version of Statistical Classification of Types of Economic Activities is used (NACE Rev1.1)
- *Occupation:* International Standard Classification of Occupations (ISCO-88) at the 2-digit level.
- *Status in employment:* International Classification of Status in Employment (ICSE-93).
- *Education:* International Standard Classification of Education (ISCED-1997).



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Important points for journalists

- Clearly understand the source of information
- Clarify the definitions
- Always compare data of the same source and period
- Try to feel and understand the data
- Be honest





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Thank you!