



Statistical Institute
of Jamaica

Understanding the **NEW LABOUR FORCE SURVEY**

January 2024

Last updated July 18, 2024

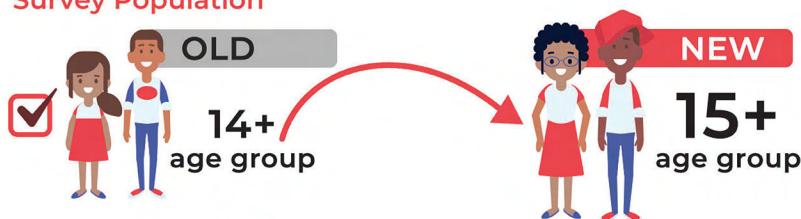
STATIN & THE LFS



Since 1968, the Statistical Institute of Jamaica (STATIN) has conducted Labour Force Surveys (LFS), a national household survey designed to generate official statistics on various labour market indicators. The LFS is conducted quarterly in January, April, July, and October, offering a snapshot of the labour market at these specific points in time. Each quarter, the survey is administered to a sample of 10,464

dwellings. It excludes individuals in institutions such as hospitals, assisted living facilities, prisons, and military barracks.

Survey Population



Non-institutional population who are **Usual Residents of Jamaica**

Computer-Assisted Personal Interviewing (CAPI)



Data for the LFS is collected using tablet computers through a method known as Computer-Assisted Personal Interviewing (CAPI), utilizing Survey Solutions, a data collection technology developed by the World Bank.

Development Indicators (Vision 2030 Jamaica and the SDGs) & IMF's SDDS



The LFS is the primary data source for monitoring commitments related to work and employment, including **Goal 5** (Gender Equality) and **Goal 8** (Decent Work and Economic Growth) of the 2030 Agenda for Sustainable Development Goals (SDGs).



The LFS is also a critical data source to monitor Jamaica's achievements toward the Vision 2030 Jamaica. In particular, **Goal 1** on an efficient and effective labour market, and **Goal 3** on full and satisfying employment.*

The robustness and timeliness of the LFS are instrumental to Jamaica's subscription to the International Monetary Fund's (IMF) **Special Data Dissemination System (SDDS)**. Established in 1996, the SDDS framework guides IMF member countries that have or seek access to international capital markets. SDDS encourages greater transparency by prescribing data coverage, periodicity, and timeliness for macroeconomic statistics such as employment, unemployment, inflation, and gross domestic product (GDP).

LFS 101:



The **one-hour criterion** is used to identify individuals who are considered **employed** in labour force statistics. This ensures that the smallest unit of labour that goes into producing goods and services is accounted for and allows for international comparability.

Reference Week: Jamaica uses a fixed reference week, **now** the first full week of the quarter, Sunday to Saturday.



The reference week was previously the last full week of the preceding quarter.



The **primary** statistical unit is persons. The LFS reports the number of persons employed, unemployed or outside the labour force.

*(Labour Market & Productivity Sector Plan 2009/30 – Implementation Framework & Action Plan)

► Who is employed?

Persons who work for pay or profit in cash or kind, whether the payment is received or not, paid directly to the person or indirectly to a household or family member.

A person is classified as employed if they worked for pay or profit for at least one hour during the reference week or had a formal job attachment but was not at work during the reference week (with job but not working).



Employed, at work

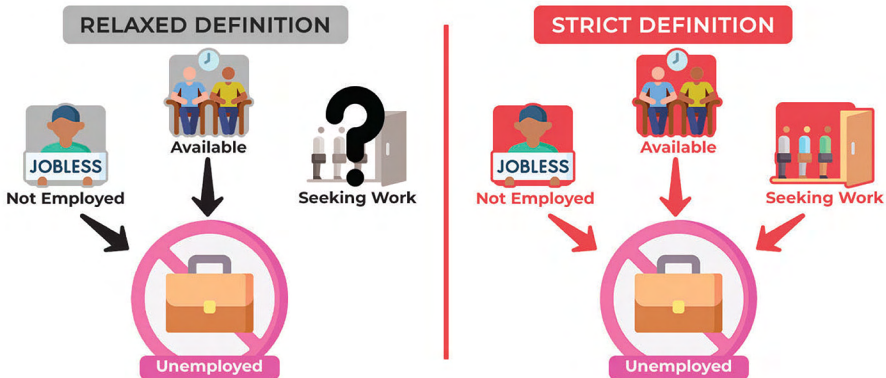


Employed, not at work

With a job, but not at work due to:

- Working time arrangement (shift work, flexitime)
- Temporary absence (primarily expects to return within a short period and, in some cases, continue to receive pay)

► Who is unemployed?



Some Labour Force Indicators include:

- | | |
|--|--|
| ✓ <i>Employed Persons</i> | ✓ <i>Status in Employment</i> |
| ✓ <i>In/Formal Sector</i> | ✓ <i>In/Formal Employment</i> |
| ✓ <i>Unemployed Persons</i> | ✓ <i>Persons in time-related underemployment</i> |
| ✓ <i>Persons Outside the Labour Force</i> | ✓ <i>Potential Labour Force</i> |
| ✓ <i>Youth not in Education, Employment or Training (NEET)</i> | |
| ✓ <i>Discouraged Jobseekers</i> | |

The 2024 LFS (NEW)



The LFS aligns with international statistical measurement standards and the conceptual framework provided by the International Labour Organization (ILO). The most recent revisions to the LFS survey instrument, first implemented in January

2024, were informed by the ILO's recommendations from the 19th International Conference of Labour Statisticians (ICLS) and incorporated insights from the 20th and 21st conferences. At the 19th ICLS in October 2013, major resolutions were passed concerning employment and labour underutilization aimed at:



Expanding the statistical output from the LFS which allows countries to extract more information in response to a changing labour market and stakeholder demands.



Improving comparability across countries.



Aligning the conceptual framework of labour statistics with the System of National Accounts (SNA) guidelines.

The modernized LFS will provide a more comprehensive and internationally comparable picture of Jamaica's labour market, enabling us to make better-informed policy decisions.

Revised Standards in Labour Statistics

Expansion of Labour Statistics Scope:

The 19th ICLS acknowledged the need to incorporate various work forms within labour statistics, extending beyond traditional paid employment.



First Statistical Definition of Work

Work is defined as “Any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use”.

The spectrum of work has broadened to include:

Employment -



Activities done to produce goods and services in exchange for pay or profit

Employment is still the reference concept for labour force statistics.

Own-use production work -



Activities to produce goods and services mainly for own final use by household/family

Unpaid trainee work -



Activities to produce goods and services in exchange for others performed without pay in order to acquire workplace experience or skills

Volunteer work -



Non compulsory activities performed without pay to produce goods and services for others

Other work activities -



Compulsory activities performed without pay to produce goods and services for others

Implication:

The 1982 standards combined paid and unpaid work, whereas the 19th ICLS separates them, resulting in a narrower definition of employment. This reclassification particularly impacts self-sustaining producers, potentially decreasing the employment-to-population ratio, especially in regions with prevalent subsistence farming. Own-use producers who do not sell any of their products are now excluded from employment.



Recognition of Concurrent Work Forms:



Unlike the 13th ICLS, which only categorized individuals into exclusive segments—Employed, Unemployed, or Outside the Labour Force—the 19th ICLS allows for simultaneous engagement in multiple work forms. For instance, an individual may concurrently hold employment and volunteer status or be unemployed while still engaging in own-use production work. A full exploration of concurrent forms of work can be accomplished with additional modules.

and volunteer status or be unemployed while still engaging in own-use production work. A full exploration of concurrent forms of work can be accomplished with additional modules.

Implication:

Applying the latest standards introduces a nuanced perspective on labour market participation, allowing for a more comprehensive understanding of work dynamics and individual contributions.

Stricter Unemployment Measurement Criteria:

The 19th ICLS situates unemployment within the broader context of labour underutilization (LU), imposing more stringent criteria for its measurement. To be classified as unemployed, an individual must satisfy all three conditions:



This contrasts with the 13th ICLS, which permitted national discretion in defining unemployment, often utilizing a more lenient approach. In the case of Jamaica, the criteria to be actively seeking a job was not previously used.

Implication:



The revised employment classification and the rigorous definition of unemployment may influence unemployment rates. Theoretically, fewer persons maybe classified as employed and more unemployed.

It should be noted, however, that the introduction of complementary (LU) indicators will greatly enhance the utility of the data.

Labour Underutilization

The 19th ICLS also recommends that a suite of indicators on labour underutilization should be released as headline indicators, providing greater insight into current labour market conditions. This means that in addition to the unemployment rate, emphasis will also be placed on the other indicators of the unmet need for work (labour underutilization).

Labour underutilization refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. Several measures of labour underutilization include unemployment, time-related underemployment, the potential labour force (LU1-LU4 rates).

LU1

Unemployment rate

the share of the labour force that is unemployed

LU2

Combined rate of time-related underemployment and unemployment

represents the share of the labour force that is either in unemployment or time-related underemployment.

LU3

Combined rate of unemployment and potential labour force

represents the share of the extended labour force that is in unemployment or the potential labour force

LU4

Composite measure of labour underutilization

represents the share of the extended labour force that is in unemployment, time-related underemployment or the potential labour force

Other meaningful definitions include:

Time-related underemployment: all persons in employment who wanted to work additional hours, whose working time in all jobs was less than a specified hours threshold, and who were available to work additional hours given an opportunity for more work.

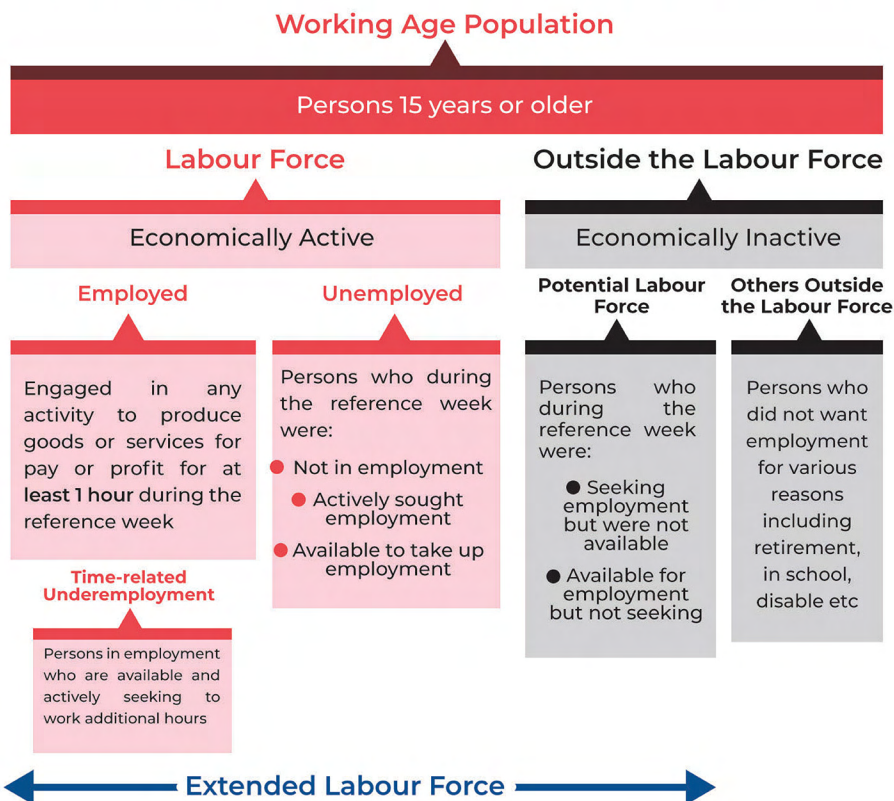


Potential labour force: a subset of persons outside the labour force, which aims to measure the potential supply of labour, or in other words, it quantifies all persons with an unmet need for income-generating work and provides a measure of their degree of labour market integration. It includes persons who are either:

- 1) Looking for a job but not currently available to work (unavailable job seekers).
- 2) Who are available to work but are not actively looking for a job (Available non-job seekers or discouraged job seekers).

Extended labour force: defined as the sum of the potential and labour force.

Delineation of the Working Age Population – New LFS



What do these changes mean for Jamaica's LFS ?



Multiple questions included to comprehensively cover employment, in particular temporary absence.



More questions added to determine main intended destination of production for own-account agriculture and fishing.



For those not employed questions about job search (including trying to start a business).



Question about availability to start in a short period (based on two reference periods).



Additional questions on reasons for not seeking or being available are also included.

Summary Notes:

- ✓ New LFS starting January 2024 informed by resolutions passed at the 19th ICLS.
- ✓ Narrow Definition of employment (subsistence - only production and unpaid trainee removed)
- ✓ Changed reference week to the first full week of the quarter.
- ✓ Changed minimum age limit to 15+.
- ✓ Moved to the strict definition of unemployment.
- ✓ **BREAK IN THE SERIES**
- ✓ The revised employment classification, the rigorous definition of unemployment, changes to the reference week, and the minimum age will influence the unemployment rate.
- ✓ The introduction of three (3) complementary (LU) indicators will enhance the utility of the data and provide greater insight into labour market conditions. In addition to the unemployment rate, the ILO now recommends the dissemination of three additional headline indicators that measure the potential labour force, the combined rate of unemployment and time-related underemployment and the combined rate of underutilization. **Together these indicators provide a clearer picture of the unmet need for employment.**



2024 LFS - Education and Training



In addition to changes based on the 19th ICLS, the new LFS instrument also features updated questions on education and training to capture the highest educational attainment level. The classification of educational attainment is based on the

International Standard Classification of Education (ISCED) 2011. The field of education and training is also captured on the new instrument and is classified according to the ISCED Fields of Education and Training 2013 (ISCED-F).

ISCED Levels

- 0 Early Childhood Education
- 1 Primary
- 2 Lower Secondary
- 3 Upper Secondary
- 4 Post-secondary non-tertiary
- 5 Short cycle tertiary
- 6 Bachelor's or equivalent level
- 7 Master's or equivalent level
- 8 Doctoral or equivalent level

ISCED FIELDS OF EDUCATION & TRAINING

- 00 Generic programmes/qualifications
- 01 Education
- 02 Arts and Humanities
- 03 Social Sciences, Journalism and Information
- 04 Business, Administrations and Law
- 05 Natural Sciences, Mathematics and Statistics
- 06 ICTs
- 07 Engineering, Manufacturing and Construction
- 08 Agriculture, Forestry, Fisheries and Veterinary
- 09 Health and Welfare
- 10 Services

Educational attainment is the highest level of education an individual has successfully completed. Typically measured with respect to the highest education programme completed, usually certified by a recognized qualification:

- It covers formal and non-formal education programmes offered at any stage of a person's life.
- ISCED considers all structured learning programmes, whether vocationally oriented or not, together based on their equivalency. Equivalence to the current educational system in Jamaica is established in instances where education is received:
 - *through homeschooling,*
 - *when the education system and/or programmes were different from what currently exists,*
 - *under a foreign educational system (study outside Jamaica, whether online or otherwise).*

Formal education is institutionalized, intentional, and planned through public organizations and recognized private bodies.

Non-formal education is institutionalized, intentional and planned by an education provider. The defining characteristic of non-formal education is that it is an addition, alternative and/or complement to formal education within the lifelong learning process of individuals.

20th ICLS & ICSE-18 in Summary

1

International Classification of Status in Employment (ICSE-18) provides 10 detailed categories of status in employment.

2

Creates a dichotomy between independent workers and dependent workers.

3

Suitable for various types of labour market analysis.

Independent workers

Employers

- Employers in corporations



- Employers in household market enterprises



Independent workers without employees

- Owner-operators of corporations without employees



- Own-account workers in household market enterprises without employees



Dependent workers

Employees

- Paid apprentices, trainees and interns



- Short-term and casual employees

- Fixed-term employees

- Permanent employees



- Dependent contractors

Contributing family workers

- Contributing family workers



Dependent Contractors (NEW!)

Two main considerations:

1

Workers who have contractual arrangements of a commercial nature (but not a contract of employment) to provide goods or services for or through another economic unit

2

Operationally and/or economically dependent on another entity that exercises control over their activities and directly benefits from their work.



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