



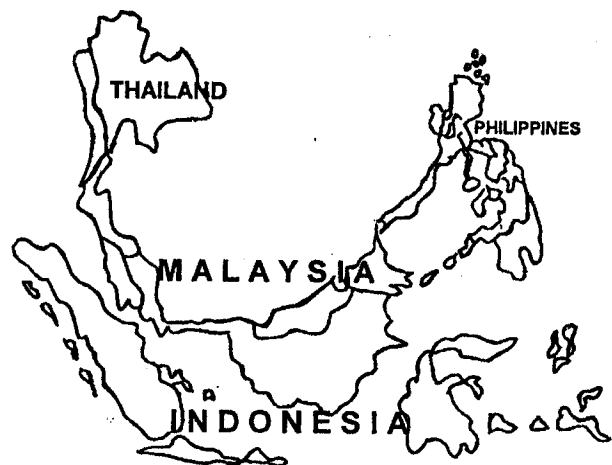
UNEMPLOYMENT CONCEPTS USED IN SELECTED ASEAN COUNTRIES

Inter-country comparison of labor statistics has always been a major concern of the International Labor Organization (ILO). Of particular interest is the generation of unemployment statistics which is the most widely used yardstick in measuring the performance of a country both in terms of economic development and welfare condition.

The national definition of unemployment vary from one country to another and have differed from the recommended ILO standard definition. For comparability, an analysis on data collection procedures and how the concept of unemployment is defined in each country is necessary.

This paper presents a comparative analysis of unemployment concepts and measurements in four (4) selected ASEAN countries namely Indonesia, Malaysia, Thailand and Philippines.

Specifically, seven (7) key items of definitions and measurements were used. These are the 1) source; 2) frequency of survey; 3) reference period; 4) population coverage 5) criteria used for measuring unemployment; 6) inclusion of armed forces and unpaid family workers in the labor force and; 7) basis for calculating unemployment rate.



❑ **Labor Force Survey: source of unemployment statistics in all four (4) ASEAN Countries**

The four (4) ASEAN countries Indonesia, Malaysia, Thailand and Philippines conduct labor force surveys from which unemployment are estimated

In terms of frequency of data collection, the ILO recommends the practice of generating labor force statistics at least once a year. Both Malaysia and Philippines conduct their labor force surveys quarterly while Thailand On a semi-annual basis. Indonesia on the other hand, undertakes data collection at an irregular interval.

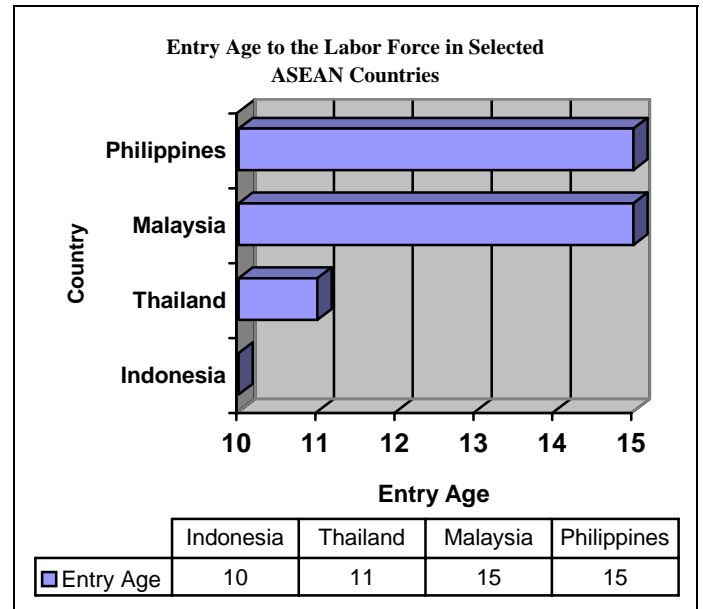
❑ **Past week reference period used as basis for data collection**

All the four (4) ASEAN countries adopt the "past week" as the reference period. In the case of the Philippines, the past week reference period was used from 1956 to 1975 and had been reverted back from 1987 to present after the past quarter reference period was utilized from 1976 to 1986.

❑ **Indonesia has the lowest age limit covered in its labor force survey**

While the ILO recommends that countries establish a cut off minimum age limit covered for labor force statistics, it does not specify the ideal age limit to reconcile with each country's

statutes and practices on child labor. Among the selected ASEAN countries mentioned, Indonesia has the lowest age limit of 10 years, followed by Thailand at 11 years. Both Malaysia and Philippines have the same cut off minimum age limit of 15 years with Malaysia setting a maximum age limit of 64 years old.



❑ **Philippines is the only country which excluded the criterion on the availability for work for the unemployed**

Based on the guidelines and standards formulated by the 13th International Conference on Labor Statistics (ICLS) in 1982, the "unemployed" is defined to comprise all persons above a specified age who during the reference period were:

- a. "without work" i.e. were not in paid employment or self-employment

- b. "currently available for work" i.e. were available for paid employment or self-employment during the reference period; and
- c. "seeking work" i.e. had taken specific steps in a specified recent period to seek employment or self-employment, e.g. registration at a public or private employment office; application to employers; answering newspaper advertisement; seeking assistance of friends or relatives; checking at worksites, farms, factory gates; looking for land, building, machinery or equipment, etc.

With this definition, two categories of the unemployed have been identified, the active unemployed and the involuntary unemployed. The **active unemployed** those who meet the key criterion of involuntary idleness, i.e. without work, currently available for work and seeking work. The **involuntary unemployed** on the other hand, are those who did not actively seek work during the specified period, but were in fact willing or available to take up work, due to the following reasons: bad weather; temporary illness/ disability; discouraged workers who believed no work are available; awaiting results of previous job application; laid-off workers waiting rehire or job recall; and seasonal workers awaiting seasonal work.

With the exception of the Philippines which excluded the criterion on the availability for work for the unemployed, the rest of the countries

adopted the ILO definition of the active unemployed.

- **All ASEAN countries counted discouraged workers as part of the unemployed**

As for the involuntary unemployed or those who did not actively look for work, the ILO provides that discouraged workers be excluded in the number of unemployed. However, all selected ASEAN countries included *discouraged workers* as part of the unemployed.

On the other hand, the ILO also recommends that *temporary ill jobseekers, persons on temporary lay-off and persons awaiting report to a new job must form part of the unemployed* while the inclusion of seasonal workers in the count was not specified. Indonesia considers all these types of workers as unemployed while Malaysia and Philippines excluded persons on temporary lay off and persons awaiting to report to a new job as unemployed.

In the case of the Philippines, persons who are expected to report for work or to begin operation of a farm or business within two (2) weeks from the date of the interview are excluded and thus considered as employed. Instead, persons without a job or business who were reported as available for work but were not looking for work because of a pending job application or waiting for job interview are considered as unemployed. Similarly, counted as unemployed in the Philippines are *seasonal workers* who are currently available for work during the off-season but not seeking work because they are waiting the busy season.

- ***ASEAN countries exclude members of the Armed Forces as part of the labor force***

According to the ILO definition, members of the armed forces and unpaid family workers irrespective of the number of hours worked during the reference period should be included as part of the employed. While all the ASEAN countries under consideration followed this definition of including the unpaid family workers in the total count of the labor force, members of the armed forces, however, were excluded as part of the labor force.

- ***Civilian labor force is used as the basis for calculating unemployment rate in ASEAN countries***

The ILO definition does not recommend whether the unemployment rate should be calculated on the basis of the total labor force or the civilian labor force. All the four (4) ASEAN countries compute unemployment rates based on civilian labor force.

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**MEASUREMENT, SCOPE, AND DEFINITION OF UNEMPLOYMENT
IN SELECTED ASEAN COUNTRIES**

INDICATOR	ILO DEFINITION	INDONESIA	MALAYSIA	THAILAND	PHILIPPINES
1. Source	Unspecified	Labor Force Survey	Labor Force Survey	Labor Force Survey	Labor Force Survey
2. Frequency of Data Collection	At least once a year	Irregular	Quarterly	Semi-annually	Quarterly
3. Reference Period	Past week	- Past week - Activities on each day of the week	Past week	Past week	Past week
4. Population Coverage (Cut-off Minimum Age Limit)	Unspecified	10 years	15-64 years	11 years	15 years
5. Unemployment Criteria					
a. Without Work	Included	Included	Included	Included	Included
b. Available for Work	Included	Included	Included	Included	Excluded
c. Seeking for Work	Included	Included	Included	Included	Included
d. Whether Included in Unemployed (Not seeking for work)					
- Discouraged Jobseekers	Excluded	Included	Included	Included	Included
- Seasonal Workers	Unspecified	Included	Included	Included	Included
- Temporary Ill Jobseekers	Included	Included	Included	Included	Included
- Persons on Temporary Lay-off	Included	Included	Excluded	Included	Included
- Persons Awaiting Report to a New Job	Included	Included	Included	Included	Excluded
6. Whether included in the labor force					
a. Armed Forces	Included	Excluded	Excluded	Excluded	Excluded
b. Unpaid Family Workers Working Irrespective of Hours Worked During the Reference Period	Included	Included	Included	Included	Included
7. Base for Calculating Unemployment Rate	Total Labor Force	Civilian Labor Force	Civilian Labor Force	Civilian Labor Force	Civilian Labor Force

Source of data: International Labor Organization (ILO).