|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 3 | 1  2 | 1 | Contact point in international agency | Data Production and Analysis Unit, Department of Statistics  International Labour Organization (ILO)  Email: [ilostat@ilo.org](mailto:ilostat@ilo.org)  Website: www.ilo.org/ilostat |
| 3 | 1  2 | 2 | International agreed definition | The labour force participation rate is the number of persons in the labour force as a percentage of the working-age population. The labour force is the sum of the number of persons employed and the number of persons unemployed. Thus, the measurement of the labour force participation rate requires the measurement of both employment and unemployment. Employment comprises all persons of working age who during a specified brief period, such as one week or one day, were in the following categories: a) paid employment (whether at work or with a job but not at work); or b) self-employment (whether at work or with an enterprise but not at work). The unemployed comprise all persons of working age who were: a) without work during the reference period, 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 paid employment or self-employment.  The working-age population is the population above the legal working age, but for statistical purposes it comprises all persons above a specified minimum age threshold for which an inquiry on economic activity is made. To promote international comparability, the working-age population is often defined as all persons aged 15 and older, but this may vary from country to country based on national laws and practices (some countries also apply an upper age limit).  The inactivity rate is equal to 100 minus the labour force participation rate, where the participation rate is expressed as a number between 0 and 100. ILOSTAT also contains statistics on persons outside the labour force (formerly known as the economically inactive population). The employment-to-population ratio is equal to the labour force participation rate after the deduction of unemployment from the numerator of the rate. |
| 3 | 1  2 | 3 | Method of computation | The labour force participation rate is calculated as follows:  LFPR (%) = (Labour force / Working-age population) x 100  LFPR (%) = {(Persons employed + persons unemployed) / Working-age population} x 100 |
| 3 | 1  2 | 4 | Importance of the indicator in addressing gender issues and its limitation | The labour force participation rate indicator plays a central role in the study of the factors that determine the size and composition of a country’s human resources and in making projections of the future supply of labour. The information is also used to formulate employment policies, to determine training needs and to calculate the expected working lives of the male and female populations and the rates of accession to, and retirement from, economic activity – crucial information for the financial planning of social security systems.  To some degree, the way in which the labour force is measured can have an effect on the extent to which men and women are included in labour force estimates. Unless specific probing questions are built into the survey questionnaire, participation among certain groups of workers may be underestimated – particularly the number of employed persons who (a) work for only a few hours in the reference period, especially if they do not do so regularly; (b) are in unpaid employment; or (c) work near or in their home, thus mixing work and personal activities during the day. Since women, more so than men, are found in these situations, it is to be expected that the number of women in employment (and thus the female labour force) will tend to be underestimated to a larger extent than the number of men.  National data on labour force participation rates may not be comparable owing to differences in concepts and methodologies. The single most important factor affecting data comparability is the data source. Labour force data obtained from population censuses are often based on a restricted number of questions on the economic characteristics of individuals, with little possibility of probing. The resulting data, therefore, are generally not consistent with corresponding labour force survey data and may vary considerably from one country to another, depending on the number and type of questions included in the census. Establishment censuses and surveys can – by their nature – only provide data on the employed population, leaving out the unemployed and, in many countries, also excluding workers engaged in small establishments or in the informal economy who fall outside the scope of the survey or census.  For international comparisons of labour force data, the most comprehensive source is undoubtedly labour force surveys. Nevertheless, despite their strength, labour force survey data may contain non-comparable elements in terms of scope and coverage, mainly because of differences in the inclusion or exclusion of certain geographic areas, and the incorporation or non-incorporation of military conscripts. Also, there are variations in national definitions of the labour force concept, particularly with respect to the statistical treatment of some specific groups, such as “contributing family workers” and “persons not employed, available for work but not looking for work”.  Non-comparability may also arise from differences in the age limits used in measuring the labour force (formerly known as the economically active population). Some countries have adopted nonstandard upper-age limits for inclusion in the labour force, with a cut-off point of 65 or 70 years, which will affect broad comparisons, and especially comparisons of those at the higher age levels. Finally, differences in the dates to which the data refer, as well as the method of averaging over the year, may contribute to the non-comparability of the resulting statistics. |
| 3 | 1  2 | 5 | Sources of discrepancies between global and national figures | Do not apply |
| 3 | 1  2 | 6 | Process of obtaining data | Labour force surveys are the preferred source of information for determining the labour force participation rate and related indicators. Such surveys can be designed to cover virtually the entire non-institutional population of a given country, all branches of economic activity, all sectors of the economy and all categories of workers, including the self-employed, contributing family workers, casual workers and multiple jobholders. In addition, such surveys generally provide an opportunity for the simultaneous measurement of the employed, the unemployed and persons outside the labour force in a coherent framework.  Population censuses are another major source of data on the labour force and its components. The labour force participation rates obtained from population censuses, however, tend to be lower, as census forms do not typically allow for detailed probing on the labour market activities of the respondents. |
| 3 | 1  2 | 7 | Treatment of missing values | None. |
| 3 | 1  2 | 8 | Data availability and assessment of countries’ capacity |  |
| 3 | 1  2 | 9 | Expected time of release |  |
| 3 | 1  2 | 10 | Source | Data: https://ilostat.ilo.org/data/  Metadata: <https://ilostat.ilo.org/resources/concepts-and-definitions/description-labour-force-participation-rate/>  (Accessed on 21 May 2021) |