|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 10 | 108  109 | 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 |
| 10 | 108  109 | 2 | International agreed definition | Definition:  The unemployment rate conveys the percentage of persons in the labour force who are unemployed.  Concepts:  Unemployed persons are defined as all those of working age (usually aged 15 and above) who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job opportunity, where: (a) “not in employment” is assessed with respect to the short reference period for the measurement of employment; (b) to “seek employment” refers to any activity when carried out, during a specified recent period comprising the last four weeks or one month, for the purpose of finding a job or setting up a business or agricultural undertaking; (c) the point when the enterprise starts to exist should be used to distinguish between search activities aimed at setting up a business and the work activity itself, as evidenced by the enterprise’s registration to operate or by when financial resources become available, the necessary infrastructure or materials are in place or the first client or order is received, depending on the context; (d) “currently available” serves as a test of readiness to start a job in the present, assessed with respect to a short reference period comprising that used to measure employment (depending on national circumstances, the reference period may be extended to include a short subsequent period not exceeding two weeks in total, so as to ensure adequate coverage of unemployment situations among different population groups).  Persons in employment are defined as all those of working age (usually aged 15 and above) who, during a short reference period such as one week or one day, were engaged in any activity to produce goods or provide services for pay or profit. The labour force corresponds to the sum of persons in employment and in unemployment. |
| 10 | 108  109 | 3 | Method of computation | Unemployment rate = (Total unemployment / Total labour force) × 100 |
| 10 | 108  109 | 4 | Importance of the indicator in addressing gender issues and its limitation | The unemployment rate is a useful measure of the underutilization of the labour supply. It reflects the inability of an economy to generate employment for those persons who want to work but are not doing so, even though they are available for employment and actively seeking work. It is thus seen as an indicator of the efficiency and effectiveness of an economy to absorb its labour force and of the performance of the labour market. Short-term time series of the unemployment rate can be used to signal changes in the business cycle; upward movements in the indicator often coincide with recessionary periods or in some cases with the beginning of an expansionary period as persons previously not in the labour market begin to test conditions through an active job search.  Even though in most developed countries the unemployment rate is useful as an indicator of labour market performance, and specifically, as a key measure of labour underutilization, in many developing countries, the significance and meaning of the unemployment rate could be questioned. In the absence of unemployment insurance systems or social safety nets, persons of working age must avoid unemployment, resorting to engaging in some form of economic activity, however insignificant or inadequate. Thus, in this context, other measures should supplement the unemployment rate to comprehensively assess labour underutilization. |
| 10 | 108  109 | 5 | Sources of discrepancies between global and national figures | Differences in the questionnaires used in the household surveys as the basic measurement tool may entail differences in specific definitions of employment and unemployment, differences in the treatment of specific groups or differences in the operational criteria used to determine the individual’s labour force status.  The unemployment rate is dependent on the geographical coverage of the survey since urban and rural areas tend to have significant differences in the incidence of unemployment. It is important to note that unemployment indicators do not convey any information on the characteristics of the unemployed (their education level, ethnic origin, socio-economic background, work experience, duration of unemployment, etc.), which is crucial to cast light on labour market failures. |
| 10 | 108  109 | 6 | Process of obtaining data | The preferred official national data source for this indicator is a household-based labour force survey. In the absence of a labour force survey, a population census and/or other type of household surveys with an appropriate employment module may also be used to obtain the required data. It is important to note that unemployment data derived from employment office records or unemployment registers would not refer to unemployment (as defined for the purposes of this indicator, using the three-criteria of being without a job, seeking employment and available for employment) but to registered unemployment, and thus, it would not be comparable with indicator 8.5.2.  The ILO Department of Statistics processes national household survey micro datasets in line with internationally agreed indicator concepts and definitions set forth by the International Conference of Labour Statisticians. For data that could not be obtained through this processing or directly from government websites, the ILO sends out an annual ILOSTAT questionnaire to all relevant agencies within each country (national statistical office, labour ministry, etc.) requesting the latest annual data and any revisions on numerous labour market topics and indicators, including many SDG indicators.  Data providers: Mainly national statistical offices, and in some cases labour ministries or other related agencies, at the country-level. In some cases, regional or international statistical offices can also act as data providers. |
| 10 | 108  109 | 7 | Treatment of missing values | * At country level   Multivariate regression techniques are used to impute missing values at the country level. However, the imputed missing country values are only used to calculate the global and regional estimates; they are not used for international reporting on the SDG indicators by the ILO.     * At regional and global levels   To address the problem of missing data, the ILO designed several econometric models which are used to produce estimates of labour market indicators in the countries and years for which real data are not available. The unemployment estimates derived from the ILO modelled estimates are used to produce global and regional estimates on unemployment rates. These models use multivariate regression techniques to impute missing values at the country level, which are then aggregated to produce regional and global estimates. |
| 10 | 108  109 | 8 | Data availability and assessment of countries’ capacity | Data availability: Data disaggregated by sex and age for this indicator is available for 186 countries and territories. The indicator is widely available based on real observations provided by countries and derived from national labour force surveys, other types of household surveys or population census. However, the disaggregation by disability is not widely available and this submission only includes 68 countries and territories. It is increasingly reported but coverage is still very low.  Time series: Data for disaggregation by sex and age for this indicator is available as of 2000 until 2019 for countries in the SDG Indicators Global Database, but time series going back further are available in ILOSTAT. 2020 regional aggregates are available for total population.  Data for disaggregation by disability status is available for the period from 2005 to 2019.  Disaggregation: This indicator should, ideally, be disaggregated by sex, age group and disability status. |
| 10 | 108  109 | 9 | Expected time of release | Continuous |
| 10 | 108  109 | 10 | Source | Data: https://unstats.un.org/sdgs/indicators/database/  Metadata: <https://unstats.un.org/sdgs/metadata/files/Metadata-08-05-02.pdf>  (Accessed on 11 May 2021) |