

## ***0.a. Goal***

10 Reduction of Inequalities

## ***0.b. Target***

10.4 To endow policies, especially fiscal, wage and social protection, and progressively achieve greater equality

## ***0.c. Indicator***

10.4.1 Share of labor income in GDP, including wages and social protection transfers

## ***0.d. Series***

10.4.1 Share of labor income in GDP, including wages and social protection transfers

## ***0.e. Metadata update***

8/10/2020

## ***0.f. Related indicators***

Not linked to other objectives and goals

## ***1.a. Organisation***

National Institute of Statistics

## ***1.b. Contact person(s)***

Perpetua Mendonça; Simão Saturday; Cipriano Claudio

## ***1.c. Contact organisation unit***

Directorate of National Accounts and Global Indicators

## ***1.d. Contact person function***

Technician, Head of Department and Director

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## ***2.a. Definition and concepts***

The labor force share of the Gross Domestic Product (GDP) is the total remuneration of employees, measured as a percentage of GDP, which is a measure of total production. It provides information on the relative share of production that is paid as compensation to employees, compared to the share paid to capital in the production process for a given reference period.

## ***2.b. Unit of measure***

Percentage

## ***2.c. Classifications***

Classification of economic activities (CAE), National Classification of Goods and Services (CNBS); COPNI; COFOG, Classification Individual Consumption by Purpose (COICOP)

## ***3.a. Data sources***

Monthly and annual Economic Activities Surveys (IAE), Family Budget Survey (IOF), Administrative data

## ***3.b. Data collection method***

The Family Budget Survey is a probabilistic sampling survey with national, provincial and area of residence representation. Some of the important variables are household expenses, activities / occupations and people's remuneration / income and hours worked. It lasts for 12 months. The last two were held in 2014/15 and 2019/20. The interviews are direct. When recruiting, the interviewers are evaluated and selected, submitted to training, evaluation and selection. During the field work, there is supervision work for quality control and the data processing process starts with a data critique and the data entry is done in an appropriate computer application, with validation rules to control the quality. .

Monthly and annual business surveys are current surveys, also probabilistic. Physical or electronic questionnaires are sent to companies for completion and return. They have as key variables: the main

and secondary activity, the volume of business, expenses detailed by type of expenditure, No. of workers, remuneration and hours worked. And, like the IOF, they have their own computer applications with validation rules.

Administrative data is received on templates used by sources. When they are received, an assessment is made of their quality.

### ***3.c. Data collection calendar***

From January to December of each year

### ***3.d. Data release calendar***

May of each year: Preliminary GDP for year n-1 and Definitive GDP for n-2; October of each year: Provisional GDP of the year n-1

### ***3.e. Data providers***

Companies, Ministries, Bank of Mozambique, State Institutions, Households

### ***3.f. Data compilers***

National Institute of Statistics

### ***3.g. Institutional mandate***

According to article 19, of Law 7/96 of July 5th:

1. The National Statistics Institute (INE) is the central executive body of the National Statistical System (SEN) whose objective is the notation, calculation, coordination and dissemination of the country's official statistical information and is subordinate to the Minister Council.
2. INE is responsible for carrying out the country's official statistical activity.

## ***4.a. Rationale***

The share of labor in GDP seeks to inform about the relative share of GDP accumulated for workers compared to the accumulated share for capital in a given reference period.

To effectively interpret this indicator, it is important to consider it, simultaneously, with economic growth trends. The share of labor remuneration in national production can highlight the extent to which economic growth translates into higher earnings for employees over time. It can be a proxy for the standard of living indicator for workers, depending on the distribution of real income and public policies adopted, among other factors

## ***4.b. Comment and limitations***

Mozambique has a high bar of self-employed workers or in the informal sector, remuneration estimates can be underestimated, since the periodicity of the Family Budget Survey (IOF) is 5 years, a

period considered long;

The failure to carry out certain surveys on the scheduled date for budgetary reasons, leads institutions to make estimates that can be biased.

GDP can exclude or underestimate activities that are difficult to measure, such as transactions in the informal sector or in illegal markets, etc., underestimating GDP. In addition, GDP is not responsible for the social and environmental costs of production and is therefore not a good measure of the general level of well-being.

#### ***4.c. Method of computation***

**Share of work in GDP = Total compensation of employees / Gross Domestic Product \* 100**

As mentioned above, this method of calculation does not provide a comprehensive measure of the share of labor income, as it does not take into account the labor income of self-employed workers.

Ideally, whenever possible, the numerator should be adjusted to include not only the remuneration of employees, but also the earnings of self-employed workers.

#### ***4.d. Validation***

Crossing survey data with audited accounts

#### ***4.i. Quality management***

The data compiled and verified by the technicians are reconciled by the heads and submitted to the directors for recheck.

#### ***4.j. Quality assurance***

Use of United Nations manuals for National Accounts, SNA 2008; compliance with the reviews recommended by the United Nations.

#### ***4.k. Quality assessment***

Sharing with international publications institutions.

### ***5. Data availability and disaggregation***

05/29/2021: Preliminary GDP for 2020;

05/29/2021: Definitive GDP 2019;

10/30/2021: Provisional GDP 2020.

No breakdown required

### ***6. Comparability/deviation from international standards***

Calculation of this indicator does not differ from calculations made internationally, because United Nations manuals are used for National Accounts, SNA 2008; compliance with the reviews recommended by the United Nations.

## ***7. References and Documentation***

System and National Accounts 2008 (SNA 2008)

<http://www.ine.gov.mz/estatisticas/estatisticas-economicas/contas-nacionais>