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ECONOMIC ACTIVITY MEASUREMENTS

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by

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I. INTRODUCTION

A working knowledge of population's economic activities is necessary for the formulation of economic policies, for development programme planning in terms of human resources utilization, and also for the formulation of policies on migration and location of industries. Statistics on working population are used mainly by the government, the industrial sector, labour organizations and research institutions. Such statistics make it possible to assess national human resources and skills, labour supply and also to formulate policies on unemployment, under-employment, professional and vocational training.

In most countries, data on economic activities are not only difficult to collect, they also do not exist in sufficient quantities. There are few surveys while censuses remain the only main source of information. Data collected by the 48 participating countries in the 1980 series of censuses was used in classifying economic activities between the working and non-working populations. It was further used to determine the population size and pattern involved in economic activities.

In a bid to assist African countries to plan and conduct population censuses, the Statistics Commission produced a set of manuals containing principles and recommendations for which were extensively used in previous censuses. Moreover, the International Labour Organization (ILO) adopted several resolutions with regard to statistics on working populations, employment, unemployment and under-employment. In view of the changing nature of economic activities, the United Nations Statistics Division revised the International Standard Industrial Classification of all economic activities (ISIC) while the ILO did same for the International Standard Professional Classification (ISPC). African countries were advised to adopt these revised classification, ISIC Rev.3, and ISPC 88 bearing in mind their national specificities and international standards.

II. DEFINITION OF ECONOMIC ACTIVITY

The 13th International Conference of Labour Statisticians defined economic activity as the production of goods and services in line with the United Nations national accounting system. Economic activity includes:¹

- (a) The production of goods and services for the market;
- (b) The production of goods and services not meant for the market, such as non-profit government and private services;
- (c) The production of basic personal consumer goods such as food, cotton and wood;

¹ Population, labour and employment: concepts, trends and policies. Chazi M. Farooq and Yaw Ofosu, ILO, Geneva.

(d) The processing of basic consumer goods by manufacturers for the market and/or for personal consumption;

(e) The production of other goods by families for their own consumption or for the market; and

(f) The production of property such as housing, farm houses, roads, implements, etc. for personal use.

Population may be classified into three main categories, according to the types of activities carried out within a specified period as active workers, unemployed people, inactive workers.

Two factors, reference period and age are used to define economic activities.

III. REFERENCE PERIOD

A carefully-defined reference period should be used for data on economic activities. A working understanding of the types of economic activities in the country is also necessary, insomuch as the reference period has a direct bearing on the nature of activities and types of working population. There are generally two types of reference period.

(a) Short-term period: which enables current activities to be measured. It applies more specifically to labour and unemployment in non-agricultural countries, not significantly affected by those seasonal factors usually measured on a monthly or quarterly basis. The length of the reference period varies from country to country and from recent censuses conducted in the region it turned out to be:

One day: (the census day) in the case of Mozambique in 1980, Zaire in 1984 and Egypt in 1986.

One week: (the week preceding the arrival of the census officer), in the case of Mauritius in 1983, Congo in 1984, Libya 1984, Cameroon 1987 and Malawi 1987.

(b) Long-term period: which enables routine activities to be measured in predominantly agricultural countries where seasonal variations have a significant impact on economic activities and where there are no specific monthly or quarterly surveys. It is advisable to measure such routine activities over a fairly long period.

The advantage of a long reference period is that individual main and perhaps secondary activities can be measured. It is however difficult to make a clear-cut distinction between main and secondary activities. Long reference period may range:

- From four weeks (one month) preceding the census day, as was the case in Côte d'Ivoire in 1988, Gambia 1983 and Comoros 1980;

- To one year (12 months), Tanzania 1988.

In view of the dual nature of economic activities in Africa with the agricultural sector being predominant in the rural areas and the modern sector predominant in the cities, some countries have opted for both reference periods. There is a short-period of one week for urban areas and a long agricultural period of 12 months before census for the rural areas (Burkina Faso 1985, Lesotho 1986, Senegal 1988 and Tunisia 1994).

Short or long periods may be:

- Fixed: with specific time limit, for instance, one calendar year (from 1st January to 31 December)
- Mobile: depending on the date of interview, e.g: one year, one month, or one week before the interview.

Whatever approach is adopted with regard to the type of activities, the reference period must be clearly determined and census officers trained and informed accordingly.

IV. AGE

Age plays a key role in determining the working population. There is generally a minimum age for measuring population activities. There are however no unanimous lower or upper limits as these depend on each country and its level of economic and cultural development. In developing countries with a predominantly primary sector, children engage very early in economic activities unlike in industrialized countries where schooling keeps many more children out of working life. The determination of a minimum age for entry into economic activities, often done empirically, should take into account the number of young children and the extent of their participation in economic activities and the possibility of obtaining reliable information.

Minimum age for entry into economic activities as observed in the last population census in the region varies from 6 to 12 years.

6 years

Cameroon, Senegal, Mali, Central African Republic and Côte d'Ivoire

10 years

Angola, Burkina Faso, Burundi, Lesotho and Tanzania

12 years

Comoros, Mauritius, and Mozambique

15 years

Libya

Working population age ranges from the legal minimum to the maximum, generally between 15 and 64 years.

For international comparison, economic activity data should be classified by age brackets, specifying the types of activity performed by people less than 15 years old, those from 15 to 64 and above. Such classifications will also provide the approximate ratio of dependant population of children less than 15 years and adults 65 years old and above and those within the 15-64 age brackets. There may be 2 types of ratio:

- (i) Dependant children: Ratio of the children 15 years old to the adult population 15-64 years old;
- (ii) Dependant old people: Ratio of the group 65 years old and above to the population 15-64 years old.

Economic activities are rather complex and cannot be studied in detail in the course of a population census. There must be a priority list of subjects. Major subjects include the distinction between the working and non-working population, the definition of occupation, the branch of activity and the working condition of the working population.

5. Subjects studied

For each person counted, of working age or above, it is important to consider his/her case in relation to economic activity, i.e, involvement in the production of goods and services over a specified reference period. Economic activity is determined in terms of the longest period of time devoted to that activity or the minimum number of working days, weeks or months during the reference period.

Two categories generally emerge from such considerations, namely working and non-working population.

5.1.1 The working population

There are two categories of working population, depending on the length of the reference period:

- (a) Routinely working population: those who work over a long reference period, generally one month, 12 months (one year). These include the employed and unemployed persons during the reference period.
- (b) Momentarily working population: those who work for a fairly short reference period (1 day-1 week)

Momentarily working population include:

1. Persons employed during a short reference period.

- (i) Persons who work during the reference period and receive salaries, remunerations in cash or in kind;

- (ii) Employed persons who do not work during the reference period but maintain contact with their work place and receive salaries and have back-to-work guarantee.
- (iii) Self-employed persons having their own business but not working during the reference period.

2. The unemployed persons

The unemployed persons are those who have reached or passed the minimum working age but, during the reference period, were:

- Not doing any work
- Available for work
- Looking for work

Owing to the nature and pattern of the job market in Africa, it is not very likely to have these three conditions together and so the notion of unemployment must be handled with a lot of flexibility.

5.1.2 Non-working population

Non-working population include persons who during the reference period were not engaged in any economic activity.

Like working population, non-working population could be classified as:

- (a) Routinely non-working population including people who were not employed and who were not idle either during the specified reference period;
- (b) Momentarily non-working population over a fairly short period.

The non-working population include persons who were not employed and who were not idle either over the reference period. These are people working only in the house, students attending public or private learning institutions, retired people and those with private income from placements, credit and pensions, children out of school and other categories. All these people do not engage in any economic activity and so do not contribute to the production of economic goods and services.

Census officers encounter difficulties in drawing the line between the two categories of working and non-working population especially regarding women, children, students, temporary absentees from work and household workers.

Conceptual problems such as poor definition and cultural considerations often result in under-estimating the contribution of women and youths in many developing countries. This under-

estimation stems from the fact that quite often the census officer interviews the husband rather than the housewife about women and youths' activities. Specific instruction should be given to census officers that all economic activities whatever their nature should be taken into account in classifying working and non-working population.

5.2 Profession

There has been a great deal of misgivings about the concept of profession with regard to censuses conducted in the region. This stems from the difficulty in having a clear definition of the notions of profession, occupation and the type of the work done, vocational training and certificates obtained. Both the census officer and the counted population have the same problem of clear-cut definitions. The situation is compounded when the person carries out more than one activity during the reference period. The criteria used for determining main occupation should be maintained, namely the amount of time devoted to the activity or the remuneration derived therefrom. The main profession would be that which takes the largest amount of time or provides the highest amount of income during the reference period. The time factor has been the most widely used within the countries of the region since it is extremely difficult to measure income from activities in the rural areas.

Profession refers to the type of work carried out by an effectively employed person during the reference period or the type of work the person did before the reference period if he/she is unemployed during that period.

There are several types of professions and so it is difficult to define them separately. Analysis of data on professions will be generally facilitated if they are grouped into categories. The latest international professional classification is the 1988 International Standard Professional Classification (ISPC-88) comprising 10 major groups divided into 28 subgroups further divided into 116 subgroups and 390 basic groups. This classification basically takes into account the skills of persons considered. Countries are advised to use as much as possible the classification so as to facilitate international comparison. Where countries use their own classifications, they must ensure that they compare with the international classification. Furthermore, in order to have the maximum information on professions, countries should collect data as comprehensively as possible and code them in detail.

5.3 Branch of activity

The 1968 International Standard Industrial Classification (ISIC) extensively used during the 1980 series of censuses was revised in 1989 at the 28th session of the Statistics Commission to depict trends in economic activities and changes in branches of activities while at the same time ensuring comparability between the versions. The Commission recommended that countries use the latest revised ISIC to establish their economic activity statistics in keeping with international standards.

The branch of activity of an economically active person refers to the activity going on in his/her work place during the reference period or in his/her last workplace if the person is currently unemployed. It is therefore important to note that the person's branch of activity does not depend on his/her occupation and work but rather on the characteristics of the establishment or enterprise for which the person works or worked.

The difficulty in defining the branch of activity mainly arises when the enterprise is involved in several activities. However careful the census officers may be, they still have problems in determining the person's branch of activity. Census officers are therefore advised to clearly indicate the main activity or production of the employer/establishment. Clear-cut professional classification criteria should be defined for the census officers.

For international comparison purposes, countries are asked to adopt the latest Rev.3 version of the ISIC for their activity branch data.

In view of the diversified economic activity in developing countries with predominant agricultural and informal sectors, countries should code their information on activity branches as comprehensively as possible. The Rev.3 version of the ISIC comprises 17 categories of classification subdivided into two-digit divisions, then into three-digit groups and four-digit classes. It is advisable that at least three-digit activity branches be maintained for comprehensive information.

5.4 Employment situation

This refers to the situation of a working person over the specified reference period or his/her last situation in the case of an unemployed person. There are generally several employment situations recorded during the census exercises. For international comparison purposes, the United Nations recommended six of them: ²

(a) Employers: persons operating their own economic enterprise or working for themselves and employing one or several paid workers;

(b) Independent workers: persons operating their own enterprise or working for themselves but employing no paid workers;

(c) Paid workers: persons working for a public or private employer and receiving a remuneration in form of salary, wages in cash or in kind, commissions and tips. Paid workers may be classified as public or private sector workers;

(d) Non-remunerated household worker: person working without any form of remuneration in a business run by a relative living in the household;

(e) A member of a cooperative: a person who is an economically active member of a cooperative;

(f) Unclassable persons in terms of employment situation: workers whose exact situation is not known or well-defined and unemployed persons who have never held any employment such as new arrivals on the job market .

² Supplementary principles and recommendations on population censuses, No. 67 of the M. series (Add.1).

During the last censuses, countries used a classification involving between two and nine groups:

- Permanent paid workers, seasonal paid workers: Algeria 1987;
- Daily, weekly paid workers and pieceworkers: Mauritius 1983;
- Apprentices: Burkina Faso (1985), Cotonou (1982);
- Pieceworkers: Côte d'Ivoire (1988);
- Occasional workers: Lesotho 1986;
- Practical problems often arise in classifying;
- Unpaid apprentices not working with a member of his/her family or a relative;
- Pieceworkers;
- Persons employing one or several paid house helps.

5.5 Activity sector

Activity sector is the sector of the economy in which a person works. There are generally two sectors in censuses: public and private. The public sector could be subdivided into public administrations and enterprises; the private sector into privately-owned enterprises and family businesses. Cooperatives fall under a separate category altogether.

Reliable information must be available on an activity sector before including it in any census exercise.

5.6 Working time and income

5.6.1 Working time

Working time is a difficult notion to define in a census exercise in lowly developed and informal economy as in Africa, it is all the more difficult to measure in the case of routinely absentee workers.

Working time over the reference period may be measured in:

- Months and weeks for the routinely working population;
- Hours and days for the momentarily working population.

When several activities are carried not during the reference period, the working time should be that devoted to the main activity. Bearing in mind the complexity of the issue, working time should be addressed during an opinion poll in conjunction with a census exercise.

Only a few countries include working time in their census; even then, they have stopped short of detailed analysis. Working time data could be classified under the following headings:

- Full time employment: the number of working hours should not be less than the legal total number of working hours,
- Part time employment: working hours less than the legal, conventional or usual standards;
- Temporary employments: non-permanent employments.

These are employments of fixed duration determined by objective criteria, interim employments, occasional employments (irregular, depending on current requirements), seasonal employments.

5.6.2 Income

Information on income is not easy to collect in censuses owing to the reluctance of interviewed persons, the difficulty in quantifying non-monetary income, the relatively heavy work load for the census officers and usually wrong responses. This is further compounded by the complex nature of the income datae themselves.

The term income would therefore mean the monthly or annual income in cash or in kind received by the household members regardless of the source. It includes salaries and wages, income from cooperatives and businesses, interest, rents, dividends and pension.

Where the income factor is included in a census exercise, extra care must be taken in the preparatory phase i.e. concept definition, drafting of directives and training of officers, analysis and interpretation of results.

5.7 Tables

The types of tables to be established will be determined by the definitions and number of interview questions. Countries should therefore bear in mind not only their own specificities but also international and regional requirements.

The tables should show:

- The population type: resident or present population. Resident population is the most commonly used;
- The type of working population: routinely or momentarily working population;
- The geographical areas: for decentralisation purposes, tables should reflect the smallest administrative units so as to satisfy users' requirements.

The main units to be considered include:

- **The entire country (national level)**
- **Settlements (rural and urban)**
- **Larger administrative divisions**
- **Smaller administrative divisions**
- **Municipalities (capital and big cities).**

A special attention should be given to the collection and analysis of data on women's activities which hitherto have been neglected in census exercises in the region.