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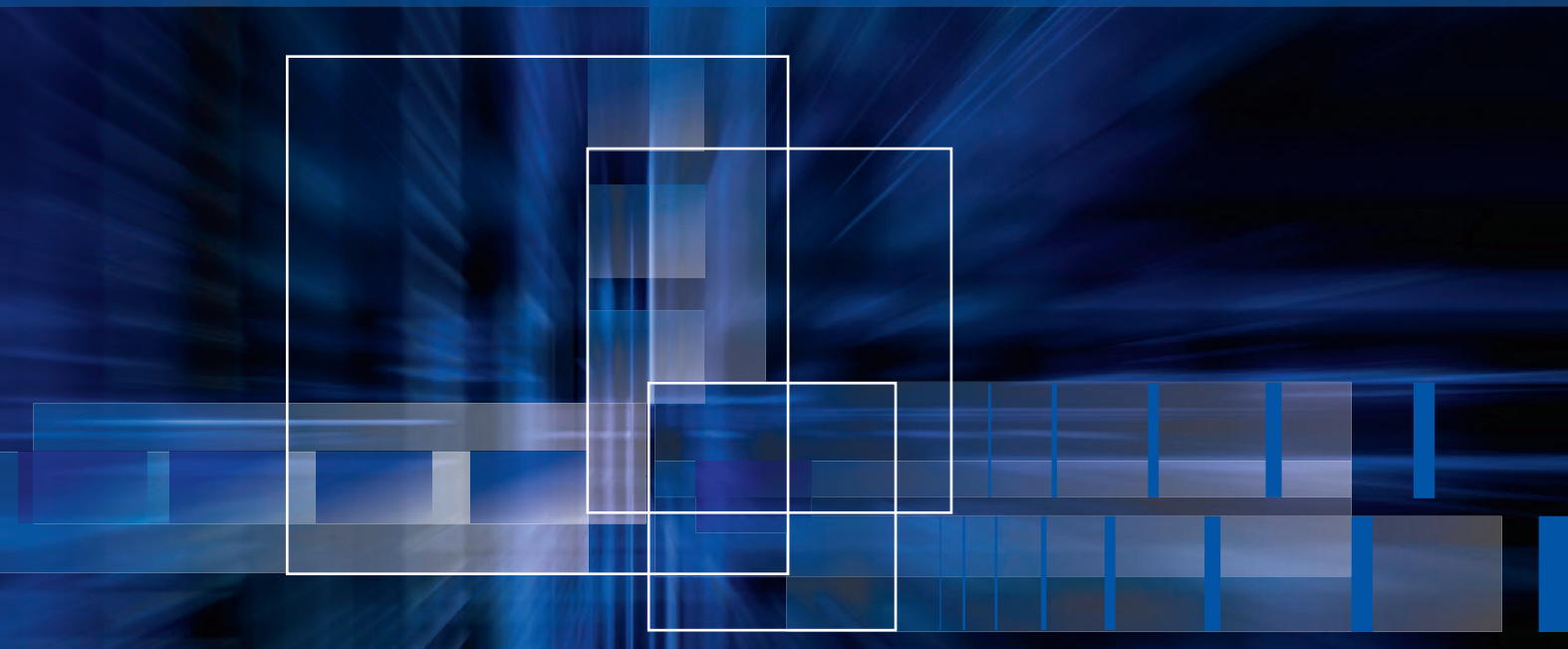
# Understanding deficits of productive employment and setting targets

## A methodological guide



Employment
Sector

# Understanding deficits of productive employment and setting targets

## A methodological guide

*Based on the MDG target to achieve full and productive employment and decent work for all, including women and young people, the present guide elaborates on the concepts of productive employment and its antonym, deficits of productive employment. It provides a guide to estimating current and past deficits in productive employment and on how established targets for reducing poverty and unemployment can be used to derive targets for productive employment generation. Such targets, in their turn, may be used to inform economic and social policies as well as to assess policy coherence from the perspective of achieving productive employment for all and reduce poverty.*

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# Foreword

The importance of productive employment and decent work as a key policy objective is now widely recognised in countries across the globe and at all levels of development. The adoption of the Global Jobs Pact at the International Labour Conference in 2009 by governments, employers' and workers' organisations was a forceful manifestation of this recognition. The Global Jobs Pact has subsequently gained further support through declarations by international bodies such as the UN and the G20 and through its adoption in a large and increasing number of countries.

In developing countries the fundamental importance of productive employment for increasing living standards and reducing poverty is today well understood. Productive employment provides the key linkage between economic development and poverty reduction and, together with social protection, offers the main vehicles for reducing poverty. At the same time there is an increasing awareness that economic growth does not always bring about productive employment and poverty reduction. There is no constant or invariant relationship between economic growth on the one hand and productive employment creation and poverty reduction on the other. The recognition of the importance of productive employment and decent work, both in its own right and as a vehicle for poverty reduction, was also firmly manifested in the adoption in 2008 of a new target to 'Achieve full and productive employment and decent work for all, including women and young people' under the Millennium Development Goal to eradicate extreme poverty and hunger.

As the global economic and financial crisis has moved from Wall Street to the main street, deficits in productive employment and decent work have emerged as an acute problem in most industrialised countries, largely taking the form of unemployment, not least among the young.

It is against this background that the need for better tools to measure both achievements and deficits in productive employment and, not least, to set targets for reducing deficits of productive employment should be seen. The present guide offers a user-friendly methodology to this end. It elaborates on how existing targets for reducing poverty and unemployment can be used to derive targets for productive employment generation as well as to monitor, assess and forecast achievements towards the goal of productive employment for all.

The development of this guide was made possible by a generous financial contribution by the Swedish International Development Agency (Sida) within the frame of a partnership between the ILO and Sweden. The final product has benefited greatly from collaboration and constructive comments from a large number of experts both within and outside of the ILO, as well as from experiences from testing in a number of countries. It is our hope that the Guide will be extensively used within as well as outside the ILO and that it will prove its worth as a useful tool for achieving knowledge for policy discussion and for policy making aimed at achieving productive employment and decent work for all.

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Executive Director
Employment Sector

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# Contents

## List of tables

## List of figures

# 1. Background and justification

The Millennium Declaration adopted in 2000 represents the most broad-based global effort ever to rid the world of poverty. Endorsed by some 189 countries it sets out eight goals to this end, which in their turn are operationalized into a number of targets to be reached by 2015. The first Millennium Development Goal (MDG) is The Eradication of Extreme Poverty and Hunger. Initially, two targets for 2015 were defined to measure progress towards this goal:

- *MDG Target 1.A – To halve, between 1990 and 2015, the proportion of people whose income is less than 1 USD per day*
- *MDG Target 1.C – To halve, between 1990 and 2015, the proportion of people who suffer from hunger*

In recognition of the importance of productive employment and decent work in the eradication of poverty, a third target was added in 2008:

***New MDG Target 1.B – To achieve full and productive employment and decent work for all, including women and young people.***

In line with the commitment to achieve the millennium goals, the vast majority of developing countries have adopted targets for reducing extreme poverty and have put these at the centre of their development strategies and plans. The developed countries, as well as the main international organisations, have committed themselves in the Millennium Declaration to supporting the developing countries in their efforts to achieve this goal and targets.

The importance of productive employment as a key policy objective, not least as the world emerges from a severe global economic crisis, was also clearly recognised by governments, employers' and workers' organisations worldwide with the adoption of the Global Jobs Pact at the International Labour Conference in 2009. The joint declaration of the Global Jobs Pact includes a commitment "to put the aim of full and productive employment and decent work at the heart of the crisis responses".

The three targets underpinning the goal to eradicate extreme poverty and hunger are closely interlinked. The targets to halve the proportion of people living on less than 1 USD per day and the target to halve the proportion of people suffering from hunger are essentially two sides of the same coin. The productive employment and decent work target is crucial as it points out the main vehicle for achieving the goal of eradicating poverty and hunger as well as addressing other aspects of deprivation, such as the right to dignity. Productive employment and decent work are recognised as prerequisites for the elimination of poverty as well as, along with social protection, the most important means for achieving this goal.

The new MDG target *"to achieve full and productive employment and decent work for all, including women and young people"* has four indicators, specifically and directly related to employment issues.[1] These are:

[1] *Guide to the new Millennium Development Goals Employment Indicators* (Geneva: ILO, 2009).

1. Growth rate of labour productivity (GDP per person employed)
2. Employment-to-population ratio
3. Proportion of employed people living below the poverty line (working poverty rate)
4. The proportion of own-account and contributing family workers in total employment (vulnerable employment rate)

These employment indicators are designed to:[2]

- provide relevant and robust measures of progress towards the new target of the Millennium Development Goals
- be clear and straightforward in interpreting and providing a basis for international comparison;
- be relevant and link to national-level country monitoring systems
- be based on the ILO international standards, recommendations and best practices in labour statistics, information and analysis
- be constructed from well-established data sources which enable consistent measurement over time

The indicator related to the concept of *working poor* provides a direct, quantifiable link between employment and income poverty. This concept is particularly useful as it offers a tool to strengthen the analysis and our understanding of the *growth-employment-poverty nexus* in different country settings.

Based on this concept, the present guide elaborates on how existing targets for reducing poverty and unemployment can be used to derive targets for productive employment generation as well as to monitor, assess and forecast advancement towards the goal of productive employment for all. The main target groups of the guide are the ILO constituents, ILO staff as well as other practitioners. A main objective has been to produce a user-friendly guide that is neither simplistic nor overly technical. The scope of the guide is clearly delimited. Its focus is on productive employment, as defined by the ILO and on the main forms of deficits of productive employment; the working poor and unemployed. Yet, in many situations, productive employment targets may need to be complemented by other employment targets, such as reducing youth unemployment or vulnerable employment or increasing employment rates. The specific economic, political and labour market situation will in each case determine what targets are most relevant. Furthermore, the focus is on estimations and projections. Hence, it stops short of providing guidance on how to undertake a comprehensive labour market analysis or on how to undertake an employment diagnostic analysis, for which other tools exist.[3]

[2] A detailed conceptual and empirical analysis of all four of these indicators in the context of Sub-Saharan is provided in Theodoor Sparreboom and Alana Albee (eds.), *Towards Decent Work in Sub-Saharan Africa: Monitoring MDG Employment Indicators* (Geneva: ILO, 2011).

[3] *Employment Diagnostic Analysis: A Methodological Guide* (Geneva: ILO, Employment Sector, 2012).

# 2. Concepts and definitions

The definition of productive employment and its antonym – the working poor and the unemployed – makes the link between productive employment and decent work on the one hand and elimination of poverty on the other hand very explicit.

*The working poor are defined as employed persons*[4] *whose income is insufficient to bring themselves and their dependents out of poverty.*[5] This is because the returns to their labour are too low (which is usually associated with low levels of productivity) and/or because they do not have enough work and would like to work more.

*Productive employment, in turn, is defined as employment yielding sufficient returns to labour to permit the worker and her/his dependents a level of consumption above the poverty line.*

*The deficit of productive employment consists of those who are in the labour force but do not have productive employment. This takes two forms: the working poor and the unemployed.* Together with the productively employed, they make up the labour force.

The imperative of a focus on the deficit of productive employment is that many developed countries also face serious deficits of productive employment in the form of high unemployment and, not least, very high youth unemployment. In countries with developed systems of social protection, lack of productive employment tends to take the form of unemployment rather than working poor. In both cases it is an expression of a lack of productive employment, although the response by those affected differs depending on their economic circumstances and on institutional factors.

**Table 1** and **Figure 1** below depict how poverty and labour force status combined define the working poor and the productively employed.

**Table 1 Link between poverty and labour force classifications**

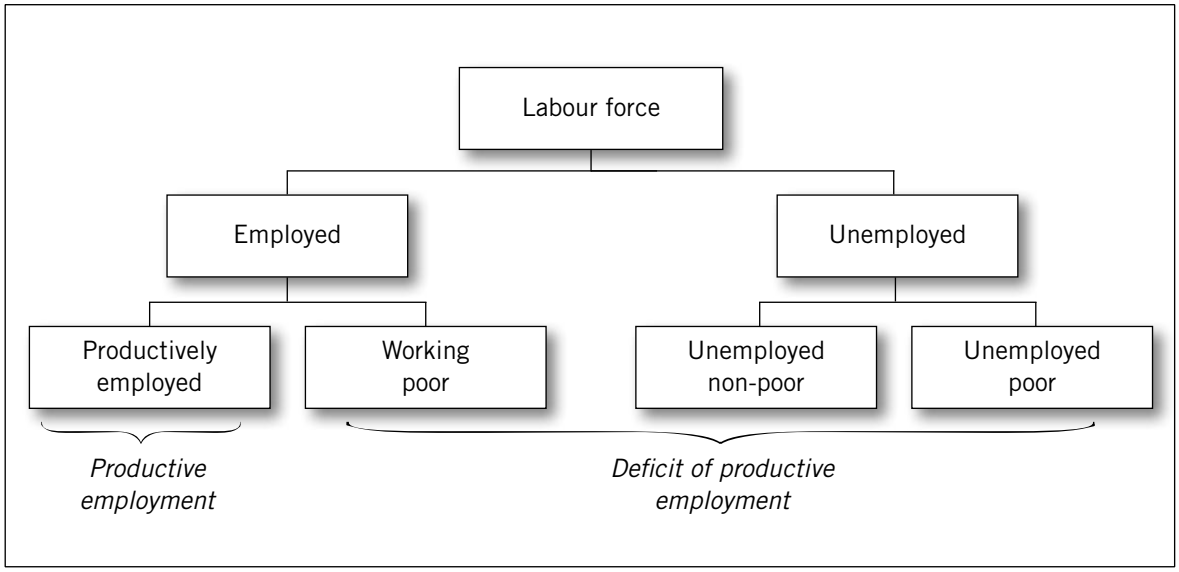
| Poverty classification | Labour force classification | |
|---|---|---|
| | Employed | Unemployed |
| Poor | Working poor | Unemployed, poor |
| Non-poor | Productively employed | Unemployed, non-poor |

While the reduction of economic poverty is well-established as a key target in national development strategies and progress with regard to the reduction of poverty is regularly measured and monitored, productive employment and decent work have yet to achieve the same level

[4] The employed include both those working for wages and those working on their own account or as unpaid family workers. The employed include only those who are of working age, that is who are aged 15 or more. Sometimes national definitions of the working age population include an upper age limit as well, in which case this should be applied.

[5] *Guide to the new Millennium Development Goals Employment Indicators* (Geneva: ILO, 2009).

**Figure 1 Decomposition of the labour force from a poverty perspective diagram**




of prominence and operationalization in the development strategies of most countries.[6] In this context, the close and clearly defined relationship between the two objectives of poverty reduction and placing employment at the heart of development strategies makes it possible to derive targets for productive employment from already established poverty reduction targets. Targets aimed at reducing the deficit of productive employment, both in its guise of working poor and of unemployment, are arguably in most instances more relevant than targets focusing exclusively on unemployment or on job creation irrespective of levels of productivity and income.

There are at least three main advantages in deriving such targets. Firstly, it helps bridge the gap between establishing what needs to be achieved and how it can be achieved. Secondly, it puts employment in the focus of policy-making, as a quantification of employment targets is a prerequisite for putting such targets at the heart of development planning. Thirdly, it can cast light on issues of policy coherence, or the lack thereof, between poverty and employment targets on the one hand and economic policies and targets on the other hand.

Below follows a presentation and discussion of the concept of productive employment and a user-friendly method for deriving quantitative targets for productive employment from existing poverty targets and unemployment targets.

## 2.1. Some implications of the definition of working poor and productive employment

The definition of working poor as employed persons living in a household whose members have a level of consumption below the established poverty line[7] and, by extension, the definition of the

[6] A review of the first and second generation PRSP (Poverty Reduction Strategy Papers) in Sub-Saharan African countries has shown that although qualitative employment aspects have increasingly been featuring in PRSP, quantitative employment indicators still remain weak. The unemployment rate is often used as the main indicator despite its limited usefulness in situations where the poor lack access to social protection and depend entirely on their own labour to meet basic needs.

[7] The poverty line is the minimum level of income deemed necessary to satisfy basic consumption needs in a given country and time.

productively employed as employed persons living in households whose members enjoy a level of consumption above the poverty line has a number of implications.

This definition implies that whether or not an employed person is productively employed or working poor depends on:

- The income, in cash and kind, from her / his labour
- The intra-household dependency ratio, i.e. the number of mouths each breadwinner has to feed
- The labour income of other employed members of the household, and
- Non-labour related incomes, such as public and private transfers

The intra-household dependency ratio,[8] in its turn, depends on:

- The age composition of the household, i.e. the number of members in the economically and the non-economically active age-groups, respectively
- The rate of participation in the labour force of the household members in the economically active age groups, and
- The incidence of unemployment among the economically active members of the household

It follows that a range of different types of policy measures can affect the number of working poor and income poverty.

- Cash transfers to households whose members live in poverty reduce the pressure to create productive employment, by reducing the labour income needed to turn the working poor into productively employed. In cases where these transfers are large enough to bring the receiving households over the poverty line, they will also result in a reduction of the number of working poor. Public transfers targeted at children, the elderly or at those of working age who for one reason or another are unable to work also serve the purpose of reducing the differences in the intra-household dependency ratios across households.
- Efforts to combat unemployment among those living in poverty as well as to increase the labour force participation rate, where there is scope for this, can be highly effective measures not only for increasing the number of productively employed, but also for reducing the number of working poor by lowering the income threshold needed to graduate from being working poor to becoming productively employed.
- In situations where women participate in the labour force to a lesser extent than men, removing obstacles for women to enter the labour market and creating equal opportunities for women and men to participate can be an effective way of reducing income poverty. With two breadwinners instead of one in a household, the income that each employed household member needs to earn to bring the household out of poverty is sharply reduced.
- In situations with high labour force participation rates and low unemployment among the poor, the emphasis needs to be on generating productive employment for the young entrants into the labour force and on increasing the labour productivity and returns to labour of the working poor through an upgrading of their present employment and/or on facilitating a change to other more lucrative employment opportunities.
- In the medium to long term, policies aimed at changing the age structure of the population, typically through a reduction of birth rates and fertility, can also influence the number of productively employed / working poor.

[8] Defined as the actual dependency ratio, i.e. the number of non-employed members / the number of employed members, rather than the non-working age / working age ratio of the household members.

## 2.2. A NOTE ON LABOUR MIGRATION

Lack of productive employment opportunities in the domestic economy has in many countries resulted in large scale migration of labour abroad in search of more attractive employment opportunities. Remittances sent home by family members working abroad can make up a significant share of the income of the receiving households and, at the aggregate national level, also of a country's income.

A decision for one or several household members to migrate abroad for work can be seen as an investment decision within the framework of a household economic strategy. Like most investment decisions, it tends to entail a high up-front cost and involve considerable risks and uncertainties and is undertaken with the expectation that it will result in significantly higher household income than would have accrued without the investment. For households living in poverty, migration abroad for work may be perceived as the only way to escape poverty if there are no productive employment opportunities at home.

At the national level, overseas remittances are registered as international transfers and show up in the national accounts. However, for the receiving households they are more likely to be perceived as intra-household transfers, from a family member working abroad to the rest of the family. It is an income from employment, with the sole difference that the remitter is working abroad.[9]

Overseas labour migration reduces the pressure on the domestic economy to generate productive employment in two ways: (i) by reducing the number of productive jobs needed in the economy, as part of the labour force is diverted abroad, and (ii) by reducing the threshold level of income needed by a worker to bring him/herself and his/her dependents out of poverty, as part of the household income is derived from remittances. For much the same reason, overseas labour migration is also likely to reduce the number of working poor, provided that poor households have access to opportunities to migrate for work abroad.

In Nepal in 2008, 30 per cent of households received remittances that mainly came from abroad. Per capita remittance stood at 4'042 Rupiahs which represented over half of the national poverty line.[10] Thus, people earning a low income from domestic employment may not necessarily live in poor households as the household income may receive significant remittances from abroad.

However, for the source country, overseas migration of labour provides at best a short term solution to the challenge of achieving productive employment for all. In cases where migration is primarily of a temporary nature, the net outflow of migrants will eventually begin to decline and approach zero as the number of returning migrants increases, while growth in remittances is likely to level off. In cases where migration is permanent, a continued outflow of human resources will sooner or later gradually erode the capacity of the country and the domestic economy to develop. It may also be argued, that overseas migration is no substitute for a national commitment to achieving full and productive employment in the domestic economy.

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[9] A distinction is made in the national accounts as well as in the balance of payment between migrant workers who are working temporarily abroad, which is defined as less than one year, and migrant workers who have resided or plan to reside more than a year abroad. The former are counted as still being residents in their home country and part of the labour force of the home country. The remittances they send home are registered as 'compensation of employees' in the balance of payment and included in the gross national income (GNI), but not in the GDP, of the home country. The latter category of migrants is no longer included in the population of their countries of origin. The remittances they send home are registered as private transfers in the balance of payment and are not included in the GNI of the receiving country. However, in practice it is often difficult to distinguish between these two categories of migrants.

[10] Shagun Khare, Anja Slany. *Employment-led growth in Nepal*, Employment Working Paper 76, (Geneva: ILO, 2011).

In any case, large flows of labour across national borders make forecasting the need for productive employment creation difficult. It may be useful to make forecasts based on several scenarios, where one scenario should be zero net migration and a constant rather than increasing inflow of remittances.

# 3. Methodological approaches

### Main concepts

**Working poverty rate:**
The total number of working poor as a percentage of the total number of employed. Where data is available, this may be calculated separately for men and women.

**Poor households:**
Households where the per capita consumption (or income) is below the established poverty line.

**Headcount poverty rate:**
The percentage of the total population living below the poverty line. This is calculated as the total population living in households defined as poor and does not take into account intra-household differences in consumption. It is therefore not really amenable to a disaggregation by sex.

**Household poverty rate:**
The total number of poor households as a percentage of the total number of households.

**Working poor to headcount poverty ratio:**
The working poverty rate divided by the headcount poverty rate.

**Working poor to household poverty rate:**
The working poverty rate divided by the household poverty rate.

Precise information on the number of working poor is best obtained by counting the number of employed persons of working age in poor households. While not technically difficult, this approach does require access to detailed statistics from household income-expenditure surveys or other similar surveys that capture consumption or income data and include information on the labour force status of the working age household members. It also requires the means to identify the poor households from the totality of households in the survey. The ILO database KILM provides data on working poor, along with a large number of labour market indicators, which makes it a logical first port of call in the search for precise data on working poor.[11] Using detailed survey data has the additional advantage that it also makes it possible to explore a large number of other labour force characteristics – such as sex, age, employment status, sector of activity – and thus obtain a much more detailed picture of the working poor. It also makes it possible to get information on labour force participation rates, unemployment and intra-household dependency rates in poor and non-poor households. Information on the working poor can sometimes be obtained from existing poverty analysis, published reports from national statistical agencies producing household income-expenditure surveys and other such studies based on data from income-expenditure surveys.

[11] Key indicators of the labour market (KILM, 7th edition) *www.ilo.org/kilm*. See Appendix.

As easily accessible information on the number and rate of working poor becomes available for an increasing number of countries in the ILO database KILM, this source of information can also be used to make estimates of working poor for years other than those for which data is available in KILM, provided that there is information on the headcount or household poverty rate.[12] This can be done by calculating the working poor to headcount poverty ratio or the working poor to the household poverty ratio for a year in which all the necessary data is available and then multiplying the headcount or household poverty rate for another year with this ratio. The same method can also be used to make projections on working poverty based on poverty targets (See next section).

In situations where data on working poverty cannot be accessed, the following **simplified formula** may be used to obtain an approximate number of working poor.

***The number of working poor = the headcount poverty rate x the total employed population aged 15+.***[13]

This formula is based on the assumption that the average intra-household dependency ratio is the same in non-poor and in poor households. Put differently, it assumes that:

- The poverty rate of working age people is equal to that of the population as a whole
- The labour force participation rate of the poor is the same for the poor as it is for the population as a whole[14]
- The employment rate is the same for the poor as it is for the population as a whole

It follows that taking the headcount poverty rate, we make the assumption that poverty is homogeneously distributed, i.e. if the headcount poverty rate stands at x %, we assume that x % of the total population 15+ is poor and x % of those employed 15+ are working poor.

This is not an entirely realistic assumption as the dependency ratio is usually higher in poor households than in non-poor households. Indeed, a high share of children, the elderly and other inactive members in a household is often a contributing factor to poverty. Hence this simplified formula is likely to *overestimate* the number of working poor.

**Table 2** below provides a comparison of estimated rates of working poverty, based on the simplified formula 'the share of the working poor among the employed = the headcount poverty rate', with the actual number of working poor based on detailed calculations of micro-data from household income expenditure surveys. As can be seen, the discrepancy between the estimated and the actual rate of working poor is quite small for most of the countries, although as expected there is a tendency towards a small over-estimation when using the simplified formula.

Irrespective of the method used, the calculations can be made for different points in time to make quantitative estimates of the progress in productive employment generation. Employment targets and forecasts can also be constructed in order to meet established poverty targets, e.g. to reduce extreme income poverty by half by 2015.

Projections on the size of the labour force in the years to come, disaggregated by sex and age groups, are available in the ILO database on labour statistics (*http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html*). These projections take not only demographic change into account, but also expected changes in sex and age specific labour force participation rates, based on factors such

[12] For information on working poverty for the countries for which this information is available in KILM, see Appendix.

[13] Stefan Berger and Claire Harasty. *World and Regional Employment Prospects: Halving the World's Working Poor by 2010* (Geneva: ILO, 2002).

[14] Nomaan Majid. *The size of the working poor population in developing countries* (Geneva: ILO, 2001).

**Table 2 Actual versus macro-based estimates of working poverty in selected countries in Sub-Saharan Africa**

| Country | Survey year | Actual rate | Estimated rate | Discrepancy |
|---|---|---|---|---|
| Benin | 2003 | 43.6 | 47.3 | 3.7 |
| Burundi | 1998 | 85.3 | 86.4 | 1.1 |
| Cameroon | 2001 | 31.0 | 32.8 | 1.8 |
| Congo | 2005 | 52.4 | 54.1 | 1.7 |
| DRC | 2005 | 93.1 | 90.0 | –3.1 |
| Ghana | 1998 | 34.6 | 39.1 | 4.5 |
| Guinea | 2002 | 70.9 | 70.1 | –0.8 |
| Kenya | 2005 | 15.4 | 19.7 | 8.8 |
| Malawi | 2004 | 70.7 | 73.2 | 2.5 |
| Mali | 2006 | 51.3 | 51.4 | 0.1 |
| Mozambique | 2002 | 73.6 | 74.7 | 1.1 |
| Niger | 2005 | 61.7 | 65.9 | 4.2 |
| Nigeria | 2003 | 58.2 | 64.4 | 6.2 |
| Sierra Leone | 2003 | 54.1 | 53.3 | –0.8 |
| Togo | 2006 | 35.8 | 38.7 | 2.9 |
| Avg. for 15 countries | | 58.2 | 61.1 | 2.9 |

*Source:* Steven Kapsos. 'Working poverty' in Theodoor Sparreboom and Alana Albee (eds.) *Towards Decent Work in Sub-Saharan Africa: Monitoring MDG Employment Indicators* (Geneva: ILO, 2011).

*Remark:* Estimates are based on the assumption that the share of working poor in the labour force = the headcount poverty rate

as changes in the average number of years of education, economic growth, social benefits etc. In cases where these projections are not available, such as for instance for provinces or regions within countries, projections based exclusively on demographic change can be manually derived.[15]

Furthermore, information on the forecasted net increases in the labour force will give an indication of the area where the focus of employment generation should lie: whether it should be on creating new productive employment opportunities for the young entrants into the labour force, or on assisting the existing working poor to increase the productivity / returns of their present employment, or on shifting them to more productive employment.

Information on the sex-specific labour force participation rates and on the incidence of unemployment will yield information on which specific demographic groups one should concentrate on. It will also yield information on the relative importance of different areas of intervention, such as reducing working poverty or unemployment or increasing the rate of labour force participation.

[15] An example of how this can be done is presented in Chapter 4.2 below.

# 4. Estimating deficits of productive employment and projecting the need for productive employment creation – Step by step

Step-by-step instructions are provided below on how to estimate past and present deficits of productive employment and on projecting the need for productive employment creation to meet established targets for the reduction of poverty and unemployment. A preferred method is elaborated in section 4.1. This method requires access to information on working poverty (rates) or, at the very least, the working poor to headcount poverty rate for a recent year. It also makes use of existing ILO projections on the growth of the labour force. This method has the advantage of yielding more reliable and accurate estimates and projections as well as permitting a more detailed analysis, e.g. through disaggregation by sex. This is followed in Section 4.2 by a second best, simplified method, which may be used in situations where no information on working poverty is available and where projections on the growth of the labour force have to be calculated manually. Finally, a user-friendly spread sheet in Excel is presented in section 4.3, which allows the user to simply estimate deficits of productive employment and project the need for productive employment creation.

## 4.1. The preferred method using micro data from household surveys: The case of Bangladesh

### *4.1.1. Calculation of the past and present deficit of productive employment*

#### Data needed

Identify the most recent years for which labour force information and poverty rates are available. Select two years (the **baseline** and an **earlier** year) and specifically extract information on:

- Working age population
  The working age population should be confined to the population aged 15+. In some countries there may also be a nationally defined upper age limit, which should then be used
- Labour force / employed / unemployed
- Headcount poverty rate (HPR)
  HPR is based on either the national poverty line or the international poverty line in the case of the MDG goal[16]

[16] For the sake of comparability, the international poverty line is preferred. *www.ilo.org/kilm* table 18a.

**Calculations:**

- LFPR (Labour force participation rate) = $\frac{\textit{Labour Force}}{\textit{Working Age Population}}$ x 100
- Unemployment rate = $\frac{\textit{Unemployed}}{\textit{Labour Force}}$ x 100
- Productive employment = employed – working poor *or* labour force – deficit of productive employment
- Deficit of productive employment = labour force – productively employed *or* unemployed + working poor
- Working poverty rate (WPR) = working poor / total employment x 100
- Ratio working poor / poverty (%) = working poverty rate / headcount poverty rate

- Number of working poor from micro data obtained from household socio-economic or income/expenditure surveys or from KILM
- Working poverty rate (WPR),[17] obtained from KILM or calculated as number of working poor / total number employed x 100

Data on the working age population, the labour force and employment are best obtained from population censuses or labour force surveys. Household socio-economic or income expenditure surveys usually also contain some information on the labour force and employment, but should be considered a second best source for this type of information. Note that information on unemployment obtained from administrative registers tends to refer to registered unemployment, which may differ significantly from actual unemployment. The number of working poor and the working poverty rate is obtained from micro data from household socio-economic or income expenditure surveys. For many countries the above data can also be obtained from ILO databases; KILM (*www.ilo.org/kilm*) and LABORSTA (*www.laborsta.ilo.org*). When both household socio-economic surveys and labour force surveys are available for approximately the same year, it is recommended to calculate the working poverty rate from the former source and to use data from the labour force survey for all other employment related data.

### Step-by-step methodology

1. Extract information on the **working age population, labour force, employed, unemployed** for the **baseline year** (the last year for which all required data are available) disaggregated by sex.
   Calculate the labour force participation rate (LFPR) / activity rate.
   Calculate the unemployment rate. **See Table 3.**
2. Extract information on the headcount poverty rate, the number of working poor and calculate or extract the working poverty rate at the baseline year. The number of **working poor** is either based on micro data from household income-expenditure or socio-economic surveys at the **baseline year** or derived from the estimation of the **working poverty rate** from the KILM[18] (working poor = employed × working poverty rate).
   Estimate the number of **productively employed** (excluding the non-poor unemployed) and the **deficit of productive employment. See Table 4.**

[17] *www.ilo.org/kilm* Table 18b. Note that the WPR is based on the international poverty line 1.25USD and 2.00 USD.

[18] *www.ilo.org/kilm*, Table 18b.

**Table 3 Labour force characteristics in Bangladesh, 2005**

| | Total | Male | Female |
|---|---|---|---|
| Working age population (000) | 92,402.3 | 47,209.4 | 45,192.9 |
| Labour force (000) | 65,211.6 | 40,107.6 | 25,104.0 |
| LFP rate % | 70.6 | 85.0 | 55.5 |
| Unemployed (000) | 2,104.0 | 1,256.0 | 848.0 |
| Employed (000) | 63,107.6 | 38,851.6 | 24,256.0 |
| Unemployment rate % | 3.2 | 3.1 | 3.4 |

*Sources:* KILM, 7th Edition; *www.laborsta.ilo.org*;
http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html

*Remarks:* Working age population and labour force figures were taken from labour force projections (cf. link above), as figures on female labour force participation in the 2005 LFS are unreasonably low and incompatible with those from earlier LFSs. Figures on unemployment were taken from LFS 2005.

**Table 4 Decomposition of the labour force in Bangladesh, 2005**

| | Total | Male | Female |
|---|---|---|---|
| **In 000** | | | |
| Working age population | 92,402.3 | 47,209.4 | 45,192.9 |
| Labour force | 65,211.6 | 40,107.6 | 25,104.0 |
| Unemployed | 2,104.0 | 1,256.0 | 848.0 |
| Employed | 63,107.6 | 38,851.6 | 24,256.0 |
| – Working poor | 31,616.9 | 19,503.5 | 11,933.9 |
| – Productively employed | 31,490.7 | 19,348.1 | 12,322.0 |
| Deficit of productive employment | 33,720.9 | 20,759.5 | 12,781.9 |
| **In %** | | | |
| LFP rate | 70.6 | 85.0 | 55.5 |
| Unemployment rate | 3.2 | 3.1 | 3.4 |
| Headcount poverty rate | 50.5 | 50.5 | 50.5 |
| Working poverty rate | 50.1 | 50.2 | 49.2 |
| Ratio working poor / poverty | 0.99 | 0.99 | 0.97 |
| Productive employment rate | 48.3 | 48.2 | 49.1 |

*Sources:* KILM, 7th Edition, Table 18a & 18b
*www.laborsta.ilo.org*

*Remarks:* Productive employment rate represents the share of the productively employed in the labour force.

3. Do the same for **any earlier** year for which all the above information is available. **See Table 5.**

4. Calculate **the change between baseline and earlier year** as well as the annual and percentage change over the period to analyse past performance in creating productive employment and in reducing working poverty and unemployment. **See Table 6.**

**Table 5 Decomposition of the labour force in Bangladesh, 2000**

| | Total | Male | Female |
|---|---|---|---|
| **In 000** | | | |
| Working age population | 81,258.6 | 41,739.2 | 39,519.4 |
| Labour force | 57,288.1 | 35,824.9 | 21,463.3 |
| Unemployed | 1,749.0 | 1,083.0 | 666.0 |
| Employed | 55,539.1 | 34,741.9 | 20,797.3 |
| – Working poor | 31,157.5 | 19'524.9 | 11,604.9 |
| – Productively employed | 24,381.7 | 15,216.9 | 9,192.4 |
| Deficit of productive employment | 32,906.5 | 20,607.9 | 12,270.9 |
| **In %** | | | |
| LFP rate | 70.5 | 85.8 | 54.3 |
| Unemployment rate | 3.1 | 3.0 | 3.1 |
| Headcount poverty rate | 56.1 | 56.1 | 56.1 |
| Working poverty rate | 56.1 | 56.2 | 55.8 |
| Ratio working poor / poverty | 1.00 | 1.00 | 0.99 |
| Productive employment rate | 42.6 | 42.5 | 42.8 |

*Sources:* KILM, 7th Edition, Table 18a & 18b
*www.laborsta.ilo.org*

*Remarks:* ILO estimates (cf. link above) were used to obtain figures on working age population and labour force in order to ensure comparability with 2005. See also remark in previous table. Figures on unemployment were based on those in LFS 2000.

### Interpretation of the results

**Tables 4, 5, 6** above show the main labour force characteristics of Bangladesh in 2000 and 2005 and the changes that took place during this period. The labour force grew at approximately the same pace as the working age population over the period, resulting in only minor changes in the labour force participation rate. The very large gap in labour force participation between men and women appears to have narrowed slightly, but female participation rates in the labour force were still very low at the end of the period. The unemployment rate increased slightly for both men and women, but remained at little over three per cent. Overall working poverty remains a far more widespread problem in Bangladesh than unemployment.

The increase in employment was accompanied by a significant increase in productive employment by 7.1 million, or almost 30 per cent, over the period. As a result, the deficit of productive employment increased only marginally in absolute terms, while it registered a significant decline in relative terms. As might be expected, the fall in the working poverty rate resulted in a fall in headcount poverty, of about 5.5 percentage units over the period. As indicated in **Figure 2**, the share of the deficit of productive employment in the working age population decreased while the share of productive employment increased between 2000 and 2005 for both men and women. However, looking at it from another angle a more sombre picture emerges. By 2005 only 44 per cent of the male working age population, and a mere 28 per cent of the female working age population, were productively employed. The very low share of productively employed working age women was in equal measure due to low participation rates in the labour force and the large number of working poor.

**Table 6 Change in labour force between 2000–2005, Bangladesh**

| | Change 2000–2005 | | | Annual change 2000–2005 | | | % change 2000–2005 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| **In 000** | | | | | | | | | |
| Working age population | 11,143.7 | 5,470.2 | 5,673.4 | 2,228.7 | 1,094.0 | 1,134.7 | 13.7 | 13.1 | 14.4 |
| Labour force | 7,923.5 | 4,282.8 | 3,640.7 | 1,584.7 | 856.6 | 728.1 | 13.8 | 12.0 | 17.0 |
| Employed | 7,568.5 | 4,109.8 | 3,458.7 | 1,513.7 | 822.0 | 691.7 | 13.6 | 11.8 | 16.6 |
| Unemployed | 355.0 | 173.0 | 182.0 | 71.0 | 34.6 | 36.4 | 20.3 | 16.0 | 27.3 |
| Working poor | 459.5 | –21.4 | 329.1 | 91.9 | –4.3 | 65.8 | 1.5 | –0.1 | 2.8 |
| Productive employment | 7,109.0 | 4,131.2 | 3,129.6 | 1,421.8 | 826.2 | 625.9 | 29.2 | 27.1 | 34.0 |
| Deficit of productive employment | 814.5 | 151.6 | 511.1 | 162.9 | 30.3 | 102.2 | 2.5 | 0.7 | 4.2 |
| **In %** | | | | | | | | | |
| LFP rate | 0.1 | –0.8 | 1.2 | | | | | | |
| Unemployment rate | 0.1 | 0.1 | 0.3 | | | | | | |
| Working poverty rate | –6.0 | –6.0 | –6.6 | | | | | | |
| Productive employment rate | 5.7 | 5.7 | 6.3 | | | | | | |

*Sources:* Ibid.

**Figure 2 Decomposition of the labour force as a percentage of the working age population – Bangladesh, 2000/2005**

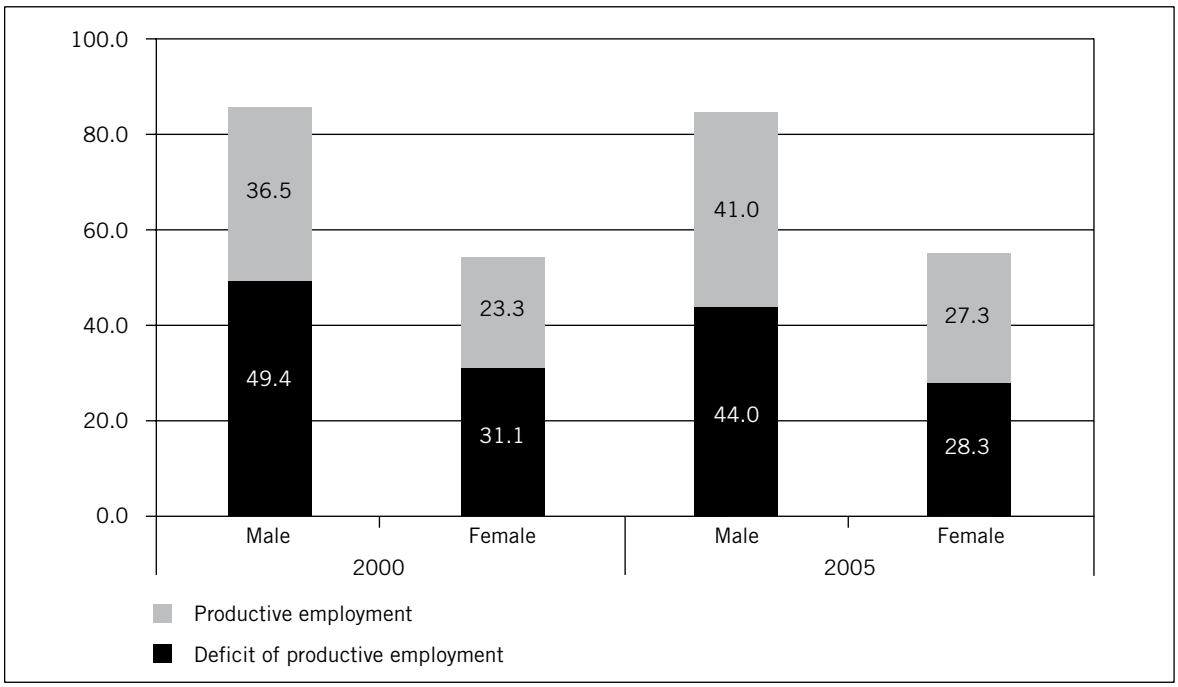
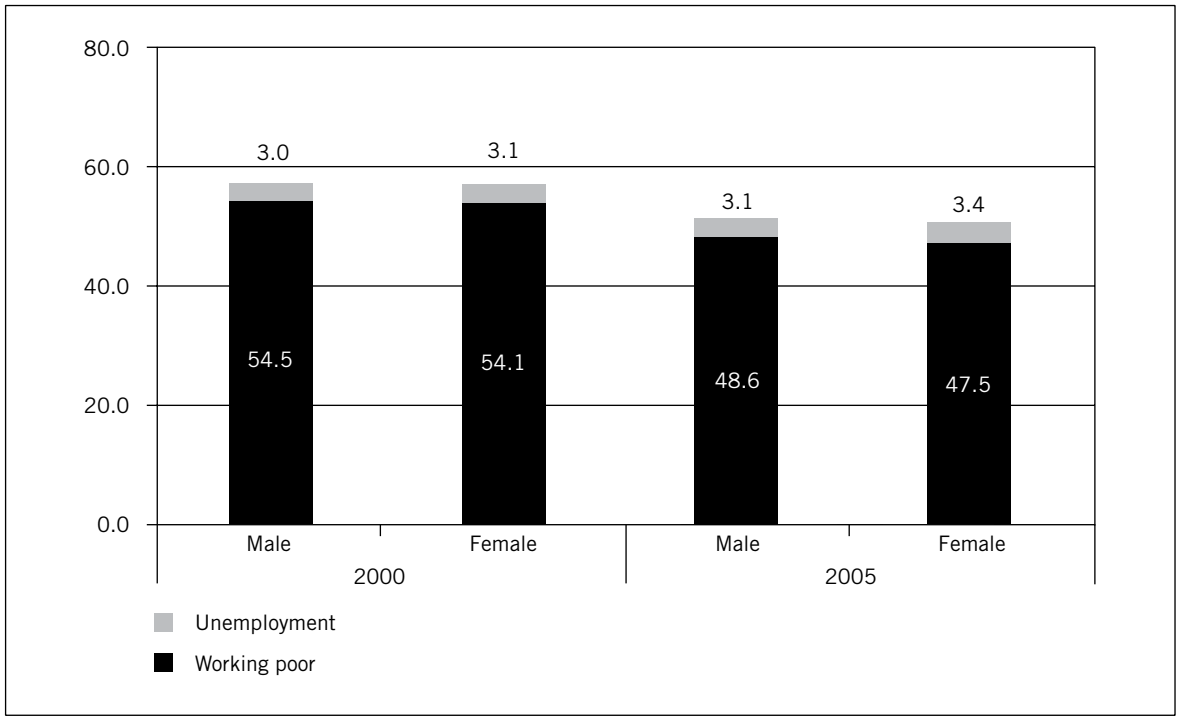


**Figure 3 Decomposition of the deficit of productive employment – Bangladesh, 2000/2005 (as % of the labour force)**




Looking at the composition of the deficit of productive employment for men and women **(Figure 3)**, it can be seen that it mainly takes the form of working poverty, which affects almost half of the labour force, whereas unemployment affected less than 5 per cent in 2005. The share of working poor in the labour force decreased over the period by about six percentage units for both males and females. Still, by the end of the period the actual number of working poor was slightly higher than it had been five years earlier.

### *4.1.2. To derive forecasts and targets based on poverty and unemployment targets*

Data needed

In addition to the figures obtained during the previous step, the following data are needed:

- Estimated working age population and labour force at the target year
- Poverty and/or unemployment target at the target year
- Ratio of working poverty rate / headcount poverty rate at the baseline year
  We assume that this ratio remains unchanged between the baseline and target year

Step-by-step methodology

5. Extract information on the **estimated total working age population** and estimated **total labour force** for the target year. This can be obtained from projections of the economically active population from ILO databases[19] or from national estimations. An estimate can also be calculated manually (see section 4.3)

[19] *http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html*

6. Find out the **headcount poverty** target for the target year or for 2015 in case of the MDG target. The MDG target of halving the share of the population living in poverty between 1990 and 2015 implies that the headcount poverty rate in 2015 should be no more than half of what it was in 1990. The country-specific MDG targets can usually be found on the UNDP country offices' home pages. National specific or MDG targets can also be found on most Government websites[20]
7. Estimate the **working poverty rate** at the target year as *the headcount poverty rate at target year x ratio of the working poverty rate / headcount poverty rate at baseline year (%)*. This can be done individually for men and women as well as for both sexes combined
8. Identify the **target for maximum unemployment** at the end of the strategy period. Estimate the **number of unemployed** at the target year based on the unemployment target as *target unemployment rate at the target year x estimated labour force at target year*. If there is no unemployment target, the present unemployment rate can be used as a minimum target, or different scenarios based on different unemployment rates can be made. If there is no sex differentiated unemployment target, it may be assumed that the target is the same for men and women
9. Derive the:
   - estimated number of **employed** at the target year, as *estimated labour force minus estimated number of unemployed*
   - **working poor** as *estimated number of employed x working poverty rate* at the target year,
   - **productively employed** as *employed minus working poor*, and
   - the quantitative target for **productive employment** as total labour force minus the *estimated number of working poor and unemployed*

**Table 7 Estimates of the labour force – Bangladesh, 2015**

| | Total | Male | Female |
|---|---|---|---|
| **In 000** | | | |
| Working age population (WAP) | 113,705.2 | 57,278.9 | 56,426.4 |
| Labour force (LF) | 80,839.8 | 48,033.1 | 32,806.7 |
| Unemployed | 3,233.6 | 1,921.3 | 1,312.3 |
| Employed | 77,606.2 | 46,111.8 | 31,494.4 |
| – Working poor | 20,210.3 | 12,032.4 | 8,054.5 |
| – Productively employed | 57,395.9 | 34,079.4 | 23,440.0 |
| Deficit of productive employment | 23,443.9 | 13,953.8 | 9,366.7 |
| **In %** | | | |
| LFP rate | 71.1 | 83.9 | 58.1 |
| Unemployment rate | *4.0* | *4.0* | *4.0* |
| Headcount poverty rate (HPR) | *26.3* | *26.3* | *26.3* |
| Working poverty rate | 26.0 | 26.1 | 25.6 |
| Ratio working poor / poverty | 0.99 | 0.99 | 0.97 |

*Sources & remarks:*

– HPR target is half of the one in 1989 (52.5%)

– Unemployment rate target is set at 4% for both men and women.

– 2015 data on WAP and LF are estimations from *http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html*

– Ratio working poor / poverty (%) is assumed to remain unchanged between baseline (2005) and target year (2015).

The figures on male and female do not exactly add up to the total number due to rounding errors.

[20] See also table 18 in KILM (*www.ilo.org/kilm*)

**Table 8 Forecasts of the need for productive employment – Bangladesh, 2005–2015 (in 000)**

| | Change 2005–2015 | | | Annual change 2005–2015 | | | % change 2005–2015 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| **In 000** | | | | | | | | | |
| Working age population | 21,302.9 | 10,069.4 | 11,233.5 | 2,130.3 | 1,006.9 | 1,123.3 | 23.1 | 21.3 | 24.9 |
| Labour force | 15,628.2 | 7,925.5 | 7,702.7 | 1,562.8 | 792.6 | 770.3 | 24.0 | 19.8 | 30.7 |
| Employed | 14,498.6 | 7,260.2 | 7,238.4 | 1,449.9 | 726.0 | 723.8 | 23.0 | 18.7 | 29.8 |
| Unemployed | 1,129.6 | 665.3 | 464.3 | 113.0 | 66.5 | 46.4 | 53.7 | 53.0 | 54.7 |
| Working poor | –11,406.6 | –7,471.1 | –3,879.5 | –1,140.7 | –747.1 | –387.9 | –36.1 | –38.3 | –32.5 |
| Productive employment | 25,905.2 | 14,731.3 | 11,117.9 | 2,590.5 | 1,473.1 | 1,111.8 | 82.3 | 76.1 | 90.2 |
| Deficit of productive employment | –10,277.0 | –6,805.7 | –3,415.2 | –1,027.7 | –680.6 | –341.5 | –30.5 | –32.8 | –26.7 |

10. Calculate the number of productive jobs that need to be created to reach the poverty and unemployment target at end-year as *productive employment target at end-year* ***minus*** *productive employment at baseline year.*[21] This figure represents the sum of the change in the number of employed and the reduction of the number of working poor. The change in the number of employed gives the number of job opportunities that have to be created in the form of new jobs due to (i) increases in labour force and (ii) targeted reduction of unemployment. The change in the number of working poor shows the number of jobs that need to be upgraded through increases in productivity and incomes or replaced by other more productive jobs.

    Synthesize the findings and compare this forecast against past performance to draw conclusions.

### Interpretation of the results

**Table 8** and **Figure 4** show that there were 24.4 million productive jobs in 2000 and 31.5 million in 2005, whereas more than 57 million productive jobs will be needed by 2015 to achieve the unemployment and poverty targets. In other words, almost 26 million productive jobs need to be created between 2005 and 2015. This is significantly more on an annual basis than the 7.1 million productive jobs created between 2000 and 2005.

**Figure 5** below shows that most of the increase in productive jobs is needed to meet the demand for productive jobs from the large number of net entrants into the labour force (15.6 million). Reducing unemployment will require an additional 1.1 million productive jobs. The other big challenge is to reduce working poverty. This will require the creation of an additional 11 million productive jobs, either through an upgrading of existing jobs held by the working poor or by making it possible for the working poor to shift to other and better jobs.

Comparing the targets with past performance (2000 to 2005), one can immediately see that a much greater effort to reduce working poverty will be needed. The number of working poor actually increased by 459 thousand between 2000 and 2005. By contrast, the number of working poor

[21] The increase in employment and reduction of unemployment give an indication of the minimum number of new productive jobs that need to be created.

**Figure 4 Productive jobs created and forecast on the need for productive jobs – Bangladesh, 2000/2005/2015**

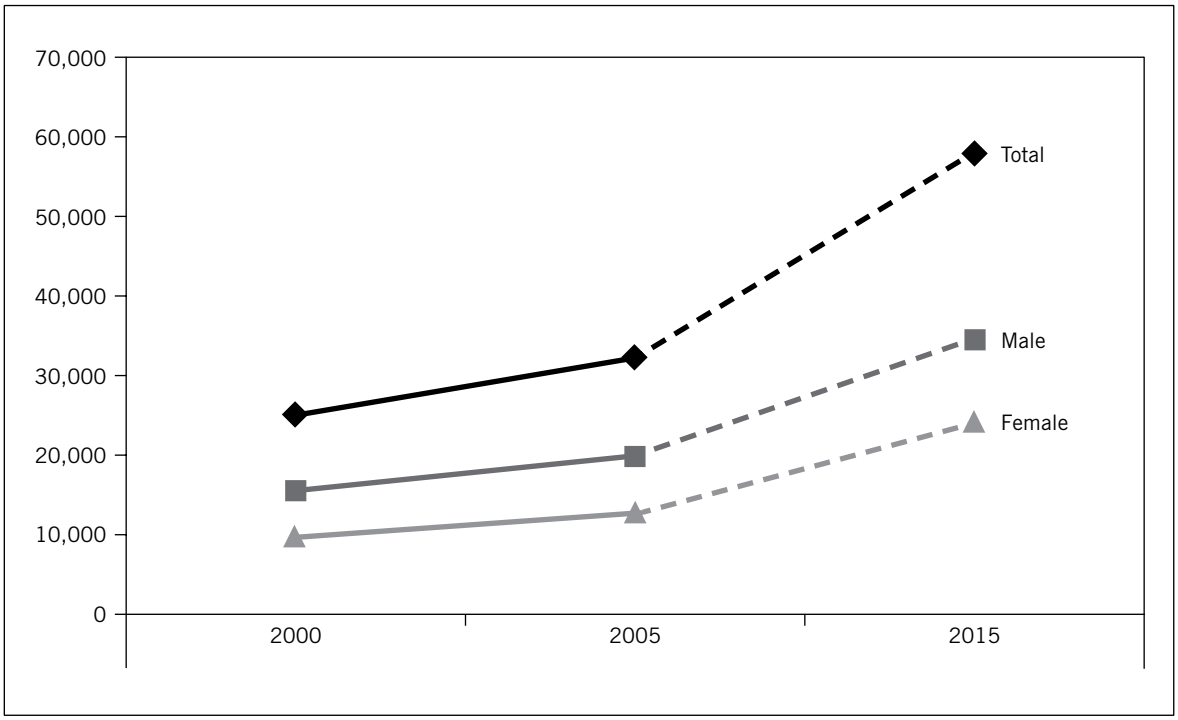
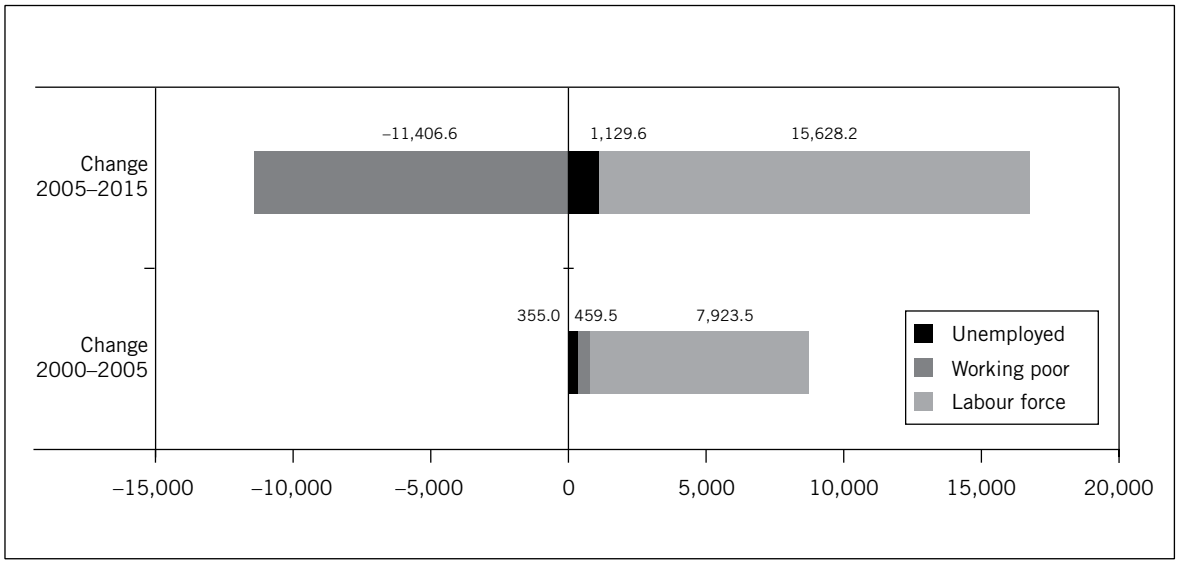


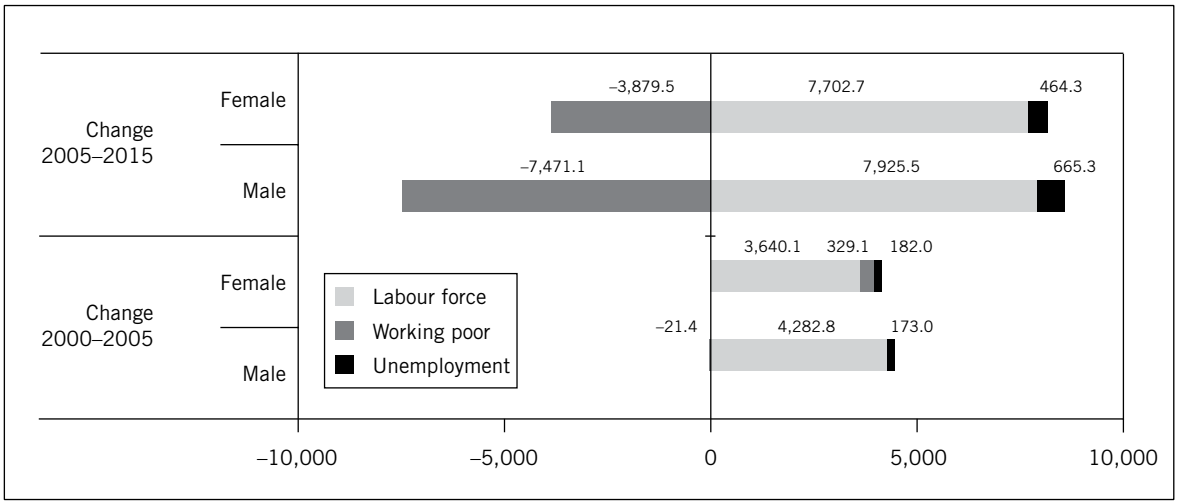

**Figure 5 Employment targets broken down – Bangladesh, 2000-2005/2005–2015 (in 000)**




will need to be reduced by over 1.1 million per year between 2005 and 2015 to reach the target, which means that major efforts are required to reduce the number of working poor during the years leading up to 2015, either through a significant increase in the productivity and incomes of the jobs held by the working poor or by making it possible for the working poor to access other better and more productive jobs.

Employment targets can be also broken down by sex, see **Figure 6**.

**Figure 6 Employment targets broken down by sex – Bangladesh, 2000-2005/ 2005–2015. (in 000)**




## 4.2. The simplified method: The case of Maluku, Indonesia

The case of the Province of Maluku in Indonesia is used below to illustrate how approximate estimates of the deficit of productive employment and projections of the need for productive employment creation can be developed in a situation where no exact calculation of the number of working poor can be made for lack of access to data and where it is not possible to base the projections on existing forecasts of the growth of the labour force. As discussed above, this method should be used with caution as it is based on assumptions that can weaken the reliability of the results. The estimates of the number of working poor obtained through this method will typically be somewhat higher than the actual number. However, in low income economies with little social protection it is in most instances likely to yield reasonably good estimates.

Setting targets for productive employment at a target year requires estimations of the working age population and labour force at the target year. The target year should correspond to a year for which explicit poverty targets and other targets, such as unemployment targets, exist.

The projection should result in a quantification of the need for productive employment at the target year in order to achieve the poverty and/or unemployment targets. It also provides information on the change in the deficit of productive employment between the baseline and the target year. While it is possible to make a breakdown of the projections obtained through the simplified method by sex, such a breakdown will yield only little additional information as the number of working poor and the working poverty rate cannot be disaggregated by sex.

### *4.2.1. To derive forecasts and targets based on poverty and unemployment targets*

Data needed

Identify a baseline year for which labour force information and the headcount poverty rate are available and specifically extract information on:

- Total and working age population by age group at the baseline year. The working age population should be confined to the population aged 15+. In some countries there may also be a nationally defined upper age limit, which should then be used

Data on population should come from population census or population projections if a recent census is not available

- Labour force by age group at baseline year

  Data on labour force and employment may come from different sources: household surveys, labour force survey (LFS) or administrative data, although LFS data are preferred[22]
- Total number of employed
- Number of unemployed or unemployment rate
- Headcount poverty rate (HPR). HPR is based on either the national poverty line or the international poverty line in the case of the MDG goal

Information on the total and working age populations is best obtained from a recent population census. Official estimates or labour force surveys provide a second best option. Estimates can also be obtained from ILO databases, notably LABORSTA and from UN population estimates.[23] Labour force data – labour force, employment and unemployment - are best obtained from labour force surveys, but may also be obtained from population censuses or, as a second best source, from household socio-economic or income – expenditure surveys. For most countries, labour force information can also be obtained from ILO databases, notably KILM and LABORSTA. Note that unemployment data obtained from administrative sources usually refers to registered unemployment, which may differ significantly from actual unemployment. Headcount poverty rates are obtained from household socio-economic or income/expenditure surveys. They are usually reported in analyses based on such surveys as well as in official government documents/websites. National UNDP offices usually monitor and report on progress on the MDG target to reduce extreme poverty by half by 2015.

**Calculations:**

- Unemployment rate $= \frac{Unemployed}{Labour\ Force} \times 100$
- LFPR (Labour Force Participation Rate) $= \frac{Labour\ Force}{Working\ Age\ Population} \times 100$
- Working poor = employed × headcount poverty rate (HPR)
- Deficit of productive employment = unemployed + working poor
- Productive employment = employed – working poor *or* employed × (1 -HPR) *or* labour force – deficit of productive employment

### Step-by-step methodology

1. Extract information on the **headcount poverty rate** (%), **total population** and **labour force** by age groups (preferably by 5 year-spans, e.g. 15-19, 20-24, etc.) for the **baseline year** (the last year for which all required data are available).

   Calculate the labour force participation rate (LFPR) / activity rate by age group.

[22] *www.laborsta.ilo.org*

[23] *http://esa.un.org/unpd/wpp/Excel-Data/population.htm*

**Table 9 Labour force characteristics – Maluku, 2010**

| Age groups | Population | Labour force | LFPR (%) |
|---|---|---|---|
| 0-4 | 187,539 | | |
| 5-9 | 192,553 | | |
| 10-14 | 174,409 | | |
| 15-19 | 142,761 | 35,416 | 24.8 |
| 20-24 | 129,277 | 76,351 | 59.1 |
| 25-29 | 130,541 | 99,776 | 76.4 |
| 30-34 | 114,379 | 89,154 | 77.9 |
| 35-39 | 99,504 | 81,378 | 81.8 |
| 40-44 | 85,552 | 71,230 | 83.3 |
| 45-49 | 74,546 | 62,775 | 84.2 |
| 50-54 | 62,335 | 51,366 | 82.4 |
| 55-59 | 44,893 | 36,406 | 81.1 |
| 60+ | 95,217 | 49,879 | 52.4 |
| Total 15+ | **979,005** | **653,731** | **66.8** |
| Total pop. | 1,533,506 | | |

*Sources:* Population figures: [*Hasil sensus penduduk 2010, Data Agregat per Provinsi*] *Population Census Results 2010, Aggregate data by Province, BPS*. Jakarta, Indonesia; LFPR figures based on the LFS data processed by Manpower and Transmigration Ministry: http://pusdatinaker.balitfo.depnakertrans.go.id

2. Find out the **headcount poverty target** for the target year or for 2015 in case of the MDG target. The MDG goal of halving the share of the population living in poverty between 1990 and 2015 implies that the headcount poverty rate in 2015 should be no more than half of what it was in 1990. The country-specific MDG targets can usually be found on the UNDP country offices' home pages. National specific or MDG targets can also be found on most Government websites. Provincial level targets may be available on official government or provincial government websites. Find out any **target for maximum unemployment** at the end of the strategy period.

3. Calculate the **estimated total working age population** by age group and **total labour force** for the target year. In many instances ready-made estimates can be obtained from ILO databases. If not, manually derived estimates can be obtained following the procedure below.[24]

   The working age population by age group can be forecast by transposing the figures for the earlier age groups from the baseline year onto the next age-group in the target year. For example, those who were in the 10-14 age group in 2010 will be in the 15-19 age group in 2015.[25]

   - Population by age-group at baseline year
   - Labour force at baseline year
   - Poverty and / or unemployment target

[24] *http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html*

[25] As the new entrants into the labour force until 2015 have already been born and assuming insignificant mortality in the concerned age groups, the forecast of the population in the economically active age groups by 2015 should be fairly accurate.

**Calculations:**

- Labour force participation rate (LFPR or activity rate) at baseline year
- LF target year = LFPR by age group baseline year x working age population by age group at target year
- Working poor (WP) = employed x headcount poverty rate
- Productively employed = employed – WP or employment x (1-HPR) *or* labour force – deficit of productive employment
- Deficit of productive employment = WP + unemployed *or* unemployment rate x estimated labour force *plus* estimated number of employed (labour force – unemployed) x the target poverty rate

The estimated labour force at the target year is *the **sum** of the estimated working age population by age group at the target year x the age group specific labour force participation rates.*[26]

**Table 10 Estimations of the labour force – Maluku, 2015**

| | Population | Labour force | LFPR (%) |
|---|---|---|---|
| 15-19 | 174,409 | 43,267 | 24.8 |
| 20-24 | 142,761 | 84,315 | 59.1 |
| 25-29 | 129,277 | 98,810 | 76.4 |
| 30-34 | 130,541 | 101,752 | 77.9 |
| 35-39 | 114,379 | 93,543 | 81.8 |
| 40-44 | 99,504 | 82,847 | 83.3 |
| 45-49 | 85,552 | 72,043 | 84.2 |
| 50-54 | 74,546 | 61,428 | 82.4 |
| 55-59 | 62,335 | 50,550 | 81.1 |
| 60+ | 44,893 | 23,517 | 52.4 |
| Total 15+ | **1,058,197** | **712,072** | **66.8** |

*Calculation:* $LF_{2015} = LFPR_{2010} \times Population_{2015}$

4. Estimate the **number of working poor** and **productively employed**[27] and the **deficit of productive employment** at the baseline year based on the formula in the box above.
5. Estimate the **number of unemployed** at the target year based on the unemployment target as *a desired unemployment rate at the target year x estimated labour force*. If there is no explicit unemployment target, the present unemployment rate can be used as a minimum target, or different scenarios based on different unemployment rates can be made. In this case of Maluku an unemployment target of 7.1 per cent, corresponding to the national average in 2010, was assumed.

[26] This calculation controls for changes in the overall labour force participation rate due to changes in the age composition of the economically active age groups, but not for age-specific changes in the labour force participation rate for which no method of accurate forecasting exists.

[27] The calculation arrives at the number of productively employed, excluding the non-poor unemployed, While this may be a preferred measurement data may not always be available.

Based on the **estimated total labour force at the target year**, calculate the estimate number of employed as *estimated labour force minus estimated number of unemployed.*

Calculate the changes over the period

**Table 11 Projected changes in the labour force – Maluku, 2010–2015**

| | 2010 | 2015 | change 2010–2015 | annual change 2010–2015 | % change 2010–2015 |
|---|---|---|---|---|---|
| Total population | 1,533,506 | | | | |
| Working age population | 979,005 | 1,058,197 | 79,192 | 15,838 | 8.1 |
| Labour force | 653,731 | 712,072 | 58,341 | 11,668 | 8.9 |
| Employed | 587,677 | 661,515 | 73,837 | 14,767 | 12.6 |
| Unemployment | 66,054 | 50,557 | –15,496 | –3,099 | –23.5 |
| Unemployment rate (%) | 10.1 | *7.1* | N/A | N/A | N/A |
| Poverty rate (HPR) (%) | *27.7* | *12.5* | N/A | N/A | N/A |

*Remarks:* Targets for 2015 are based on the MDG target of halving poverty by 2015. Unemployment target corresponds to national average unemployment rate in 2010.

6. Estimate the number of working poor *(employed x headcount poverty rate)*, productive employment *(labour force minus unemployed and working poor)* and the deficit of productive employment *(working poor plus unemployed* **or** *labour force minus productive employment)* for the target year.

7. Calculate the number of productive employment opportunities that need to be created to reach the poverty and unemployment target at end-year as *productive employment target at end-year* ***minus*** *productive employment at baseline year.*[28] This figure represents the sum of the change in the number of employed and of the reduction in the number of working poor. The change in the number of employed gives the number of job opportunities that have to be created in the form of new jobs due to (i) increases in labour force and (ii) targeted reduction of unemployment. The change in the number of working poor shows the number of jobs that need to be upgraded through increases in productivity and incomes or replaced by other more productive jobs.

   Calculate the **changes** between baseline year and target year for all indicators to analyse the nature and scale of the challenge and to get the decomposition of the labour force in terms of productive employment vs. deficit of productive employment. Calculate the annual job creation over the period and the percentage change.

### Interpretation of the results

The challenges of reducing the deficit of productive employment in Maluku must be gauged in the context of the growing labour force. A projection of the growth of the labour force and the need for generation of productive employment is provided in **Table 12** and gives a quantitative picture of the challenge to meet the established poverty targets and to reduce unemployment to the 2010 national level by 2015.

[28] The increase in employment and reduction of unemployment give an indication of the minimum number of new productive jobs that need to be created.

**Table 12 Forecasts on the need for productive employment – Maluku 2010–2015**

| | 2010 | 2015 | change 2010–2015 | annual change 2010–2015 | % change 2010–2015 |
|---|---|---|---|---|---|
| Labour force | 653,731 | 712,072 | 58,341 | 11,668 | 8.9 |
| Working poor | 163,022 | 82,689 | –80,333 | –16,066 | –49.3 |
| Unemployment | 66,054 | 50,557 | –15,497 | –3,099 | –23.5 |
| Deficit of productive employment | 229,076 | 133,246 | –95,830 | –19,166 | –41.8 |
| Productive employment | 424,655 | 578,825 | 154,170 | 30,834 | 36.3 |

The total projected need for productive employment can be broken down into three categories: (i) net increase of the labour force, (ii) reduction of unemployment and (iii) reduction of working poverty. (i) and (ii) can only be achieved through creation of new jobs, while (iii) can be achieved both by an upgrading of the productivity and incomes of jobs held by working poor and by making it possible for the working poor to move to other and better jobs.

The projections presented in **Table 12** suggest that the number of productive jobs would need to increase by at least 154'000 between 2010 and 2015, if the ambitious MDG target of halving poverty by 2015 is to be met. This increase includes new entrants in the labour force (58'300), those who will have to be transferred from unemployment to employment (15'500) and those that will have to shift from low productivity jobs to high productivity jobs (80'300). In other words, almost 74 thousand jobs need to be created (58.3+15.5) and at least 80 thousand jobs should be upgraded in terms of productivity or replaced by other jobs in order to achieve these targets.

### *4.2.2. Casting projections against past performance*

In order to appreciate the scale of this challenge, the forecast needs to be cast against the past performance of Maluku's economy and the labour market. For this purpose, the past labour market trends and poverty reduction should be assessed. An earlier year for which the necessary information is available needs be identified and similar calculations for an earlier period carried out accordingly.

Data needed for one or several earlier years

- Working age population
- Labour force
- Employment
- Unemployment
- Headcount poverty rate

8. Extract information on the **working age population**, **labour force**, **employed**, **unemployed** and **headcount poverty** at an earlier year and compile this information together with the same information for the baseline year. Calculate the unemployment rate, the number of working poor, productive employment and deficits of productive employment for the earlier year.
9. Calculate the change between the baseline and earlier year as well as the percentage change over the period.

**Table 13 Labour force characteristics – Maluku (in 000), 2002–2010**

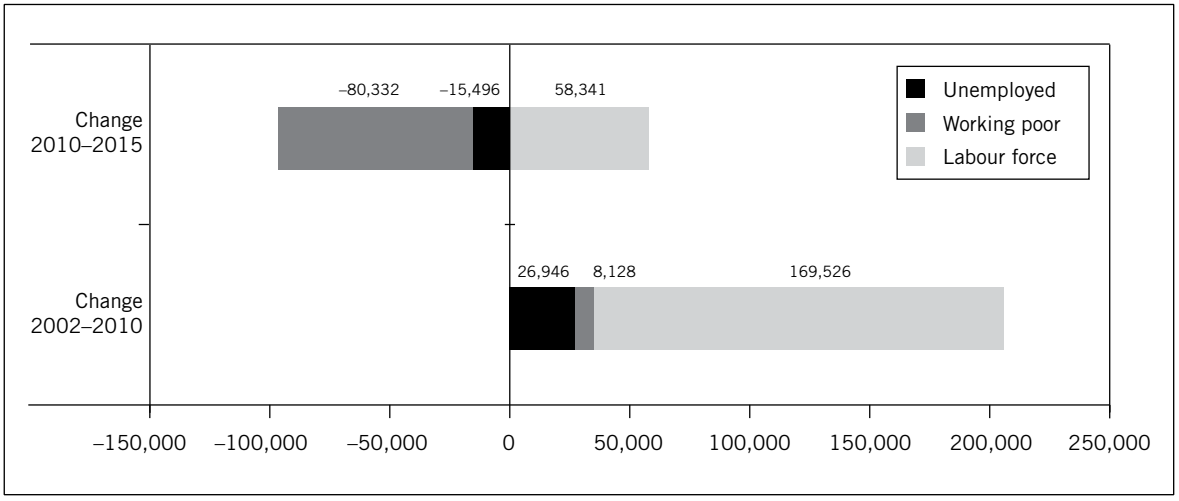
| | 2002 | 2010 | change 2002–2010 | annual change 2002–2010 | % change 2002–2010 |
|---|---|---|---|---|---|
| Working age population | 737,887 | 979,005 | 241,118 | 30,140 | 32.7 |
| Labour force | 484,205 | 653,731 | 169,526 | 21,191 | 35.0 |
| Employed | 445,097 | 587,677 | 142,580 | 17,823 | 32.0 |
| Unemployed | 39,108 | 66,054 | 26,946 | 3,368 | 68.9 |
| Unemployment rate (%) | 8.1 | 10 | N/A | N/A | N/A |
| Headcount Poverty Rate (%) | 34.8 | 27.7 | N/A | N/A | N/A |
| Working poor | 154,894 | 163,022 | 8,128 | 1,016 | 5.2 |
| Productive employment | 290,203 | 424,655 | 134,452 | 16,807 | 46.3 |
| Deficit of productive employment | 194,002 | 229,076 | 35,074 | 4,384 | 18.1 |

*Sources:* Cf. previous tables

*Remarks:* In the case of Indonesia as a whole, we use a headcount poverty rate (HPR) based on the national poverty line.[29] Taking the international poverty line, the proportion of people having per capita income of less than USD1 a day has substantially declined from 20.6% in 1990 to 5.9% in 2008, meaning that the MDG target 2015 of reducing extreme poverty to 10.3% has already been achieved.

10. Synthesize the findings.

**Figure 7 Employment targets broken down – Maluku (in 000)**



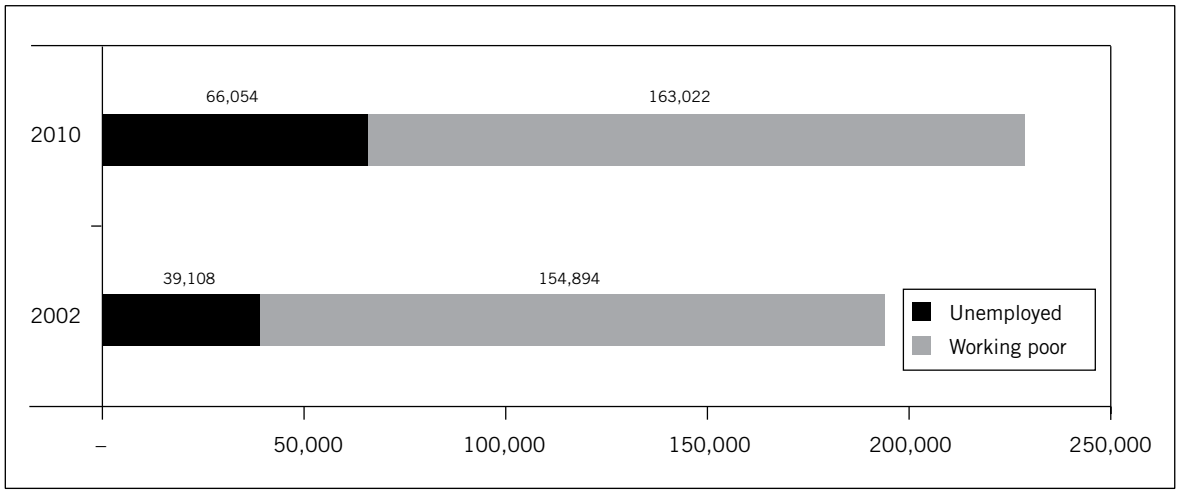

*Sources:* Calculations based on the figures in previous tables in this section

### Interpretation of the results

The generated tables above provide an understanding of the nature of the change in productive employment as well as the deficit of productive employment that takes the form of either unemployment or working poor.

[29] The national poverty line stands at 1.50 USD PPP and the method of calculating the poverty line was adapted and changed in 1998 by improving the quality of non-food items. Refer to *Report on the Achievement of the Millennium Development Goals Indonesia 2010* (Bappenas, 2010)

**Figure 8 Deficit of productive employment – Maluku (in 000)**




*Sources:* Calculations based on the figures in previous tables in this section

**Table 13** shows the labour force characteristics of Maluku in 2002 and 2010. Employment increased by over 32 per cent, whereas unemployment increased by 69 per cent over the period 2002-2010. Despite a sharp increase in unemployment, the headcount poverty rate registered a decrease of 7.1 percentage points, which suggests that the unemployed are not the ones who are poor. Indeed, in the absence of developed social security systems the poor cannot afford not to work.

**Table 13** also shows that the increase in the labour force was accompanied by a sharp increase in productive employment by 46 per cent over the period. The increase was registered despite a growth in the number of working poor, owing primarily to a strong growth in employment.

Over the period 2002-2010 Maluku's labour force grew by 35 per cent, representing an annual increase of over 21 thousand people. In the five year period 2010-2015, however, the labour force is expected to grow only by about 12 thousand people per year (**Table 12**), which will somewhat ease the pressure on the labour market to create jobs for the new entrants into the labour force.

In the previous decade the number of productively employed was increasing by 17 thousand annually (**Table 13**). In the years leading up to 2015 the rate of increase in productive employment will need to be doubled in order to meet the poverty and unemployment reduction targets: At least 30 thousand jobs will need to be created yearly between 2010 and 2015 (**Table 12**).

A reduction in the number of working poor will have to be the focus of development strategies in the upcoming years. Some 80 thousand productive jobs will need to be created for the working poor, either through a significant increase in the productivity and incomes of the jobs held by the working poor or by making it possible for the working poor to access other better and more productive jobs. An additional 3.4 thousand jobs per year will have to be created in 2010-2015 to meet the unemployment target of 7.1 per cent.

## 4.3. Introduction to the Excel-based software

The method used to calculate the deficit of productive employment and set employment targets can be done using the employment targeting tool which is an Excel-based macro-spread sheet that allows users to easily decompose changes in the labour force in two consecutive periods, into its "productive" and "deficit of productive" employment components at the aggregate level.

**Instructions:**

To use the tool, download from the enclosed CD-ROM and save it immediately as an Excel file without changing the core name of the file (i. e., EMP_TARG).* Fill in the "data" sheet and click the "generate" button. Key tables will be automatically generated.

Note: You may need to enable macros in order to run the program in Microsoft Excel 2007. On opening the file, a security warning may appear above the spread sheet informing the user that macros have been disabled. Click the "options" button in the information bar and then select "enable this content" to bypass the security warning.

The aim of the tool is to understand deficits of productive employment by decomposing the labour force from a poverty perspective as well as deriving targets for productive employment. It aims to answer the following questions: (i) What is the composition of the labour force in terms of productive employment versus deficit of productive employment? What is the share of unemployment / working poverty in the deficit of productive employment? (ii) What have been the changes over the years? Were they accompanied by an increase in the quality and/or quantity of jobs? (iii) Based on poverty and/or unemployment targets, what are the projected needs for productive employment creation in the coming years? Are these forecasts in line with past performances?

This simple tool is useful in making estimations at the aggregate level as well as disaggregated by sex, but it also gives scope for further in-depth analyses. Sector studies can be undertaken as a follow-up to this analysis to identify the potential for enhanced economic growth and employment creation in different sectors. However, it should be also complemented with context-specific analyses to understand the constraints to productive employment. Employment targeting fits well under the broader analytical approach to employment diagnostic analysis which uses a binding constraints approach to identify the most serious constraints and challenges to enhancing productive employment.[30] Employment targets tell us what needs to be achieved, while an employment diagnostic analysis casts light on the challenges and constraints that need to be addressed to achieve the targets.

The tables and graphs presented above are taken directly from the Excel tool on employment targeting using data for Bangladesh and Maluku, and serve as case studies on how to undertake the analysis.

[30] *Employment Diagnostic Analysis: A Methodological Guide* (Geneva: ILO, Employment Sector, 2012).

* The software can also be found at www.ilo.org/employment/Whatwedo/Projects/WCMS_144422/lang--en/index.htm

# 5. Increasing the sophistication of the analysis

A more detailed analysis of survey-based data makes it necessary to obtain a richer and more detailed picture of the working poor and the unemployed. Household income expenditure surveys, also called household socio-economic surveys, provide the main source of data for such a detailed analysis, as they include information on incomes and consumption, as well as on the demographic composition of the households and on employment.[31] In developing countries these surveys commonly lay the basis for poverty assessments that are regularly made by the World Bank and other types of poverty mapping and analysis.

There are essentially two approaches for tapping into and using information from such surveys. Access to the primary data allows for tailor-made and detailed cross-tabulation of a large number of variables. However, it can be time consuming and requires a high up-front investment in time and effort to gain an in-depth knowledge of the data and its strengths, weaknesses and limitations. The alternative approach is to base the analysis on ready-made tabulations as presented in poverty assessments and other publications based on survey data. The main limitation of this approach is obviously that one is confined to survey results as produced and presented by others. For instance, information on employment data is often only provided for the head of household. A more general drawback of basing the analysis on household income-expenditure or socio-economic surveys is that the information collected on employment is usually less detailed than in labour force surveys and is not always based on international standards and concepts. Therefore, great care should be taken in mixing data from different types of surveys.

## 5.1. Incorporating other causes of poverty into the model

The most serious shortcoming of the simplified, basic model outlined above is the assumption that the intra-household dependency ratio is the same in poor and non-poor households. In other words, the ratio between the non-working and working members of the household is on average the same in poor and non-poor households. This is unlikely to be the case as the fewer the breadwinners and the more mouths to feed in a household, the higher the income that each breadwinner has to bring home in order for the household to maintain a level of consumption above the poverty line. Poverty may also be due to unemployment and lack of ability to work. Hence, in most instances the real number of working poor will be lower than the estimates derived from the basic model outlined above. Yet, as discussed above, the simplified model often provides quite accurate estimates of working poverty in less developed countries. In middle income countries

[31] Such surveys come under a number of names and in a number of guises. In the 1980's the World Bank developed the concept of comprehensive Living Standards Measurement Surveys (LSMS), which were widely applied in developing countries in the following decades (see *www.worldbank.org*, search LSMS).

the situation can be different, reflecting the fact that there are other causes of poverty apart from low returns to labour.[32]

Comparing estimates of the number of working poor, which are based on the assumption that the intra-household dependency ratio is the same in poor and non-poor households, with the actual number of working poor can yield important insights into the nature of poverty. In situations where the discrepancy is small, e.g. in most countries in Sub-Saharan Africa and in LDCs elsewhere (see **Table 2**), it can safely be assumed that the main cause of poverty is low returns to labour (low incomes) and that creating opportunities for people living in poverty to access more productive employment must be at the heart of any successful effort to reduce poverty. The simplified formula then serves as a good proxy for the calculation of the working poor as well as for estimates of the need for productive employment creation to meet poverty targets.

However, in situations where the estimate of the number of working poor turns out to be significantly higher than the actual number (because the key assumption that the intra-household dependency ratio is the same in poor and non-poor household is not valid), there may be three main causes of poverty that can explain the discrepancy, the relative magnitude and nature of which will determine the different solutions and policy mixes needed:

1. High unemployment among labour force participants in poor households
2. Low labour force participation rate among working age members of poor households
3. A high proportion of children and elderly and a low share of working age members in poor households (demographic structure)

### *5.1.1. Unemployment and poverty*

The overall rate of unemployment gives an initial indication if unemployment is likely to be the main cause of poverty. In a situation where the overall unemployment rate is low and the discrepancy in the unemployment rate between poor and non-poor households is small, no further analysis of this factor is likely to be necessary.

However, in situations where the unemployment rate is high in poor households, this will require not only a focus on productive employment creation, but also on social protection and measures to facilitate the access to productive work for the unemployed.

### *5.1.2. Addressing low participation rates in the labour force*

A low participation rate among working age members of poor households may be due to a variety of factors, such as time constraints due to time consuming household work, disabilities that impair the capacity to work, or discouragement. A gender responsive analysis based on sex-disaggregated data is needed and special attention should be given to low labour force participation rates among women, which may be due to time consuming and unequally shared house work and child care, but also to unequal labour market access.

In situations of low female participation rates in the labour force and/or where this rate differs significantly between men and women, interventions aimed at making it possible for women in poor households to attain productive employment may be a particularly effective way of reduc-

[32] Estimates by El Observatorio del Empleo in San José, Costa Rica found that the number of working poor as estimated by the simplified formula exceeded the actual number by 15-18 per cent in Panama and El Salvador, but only by 5 per cent in Honduras.

ing poverty as well as the number of working poor. These measures should aim at facilitating labour market entry and access to productive employment for them, complemented by a system of social protection.

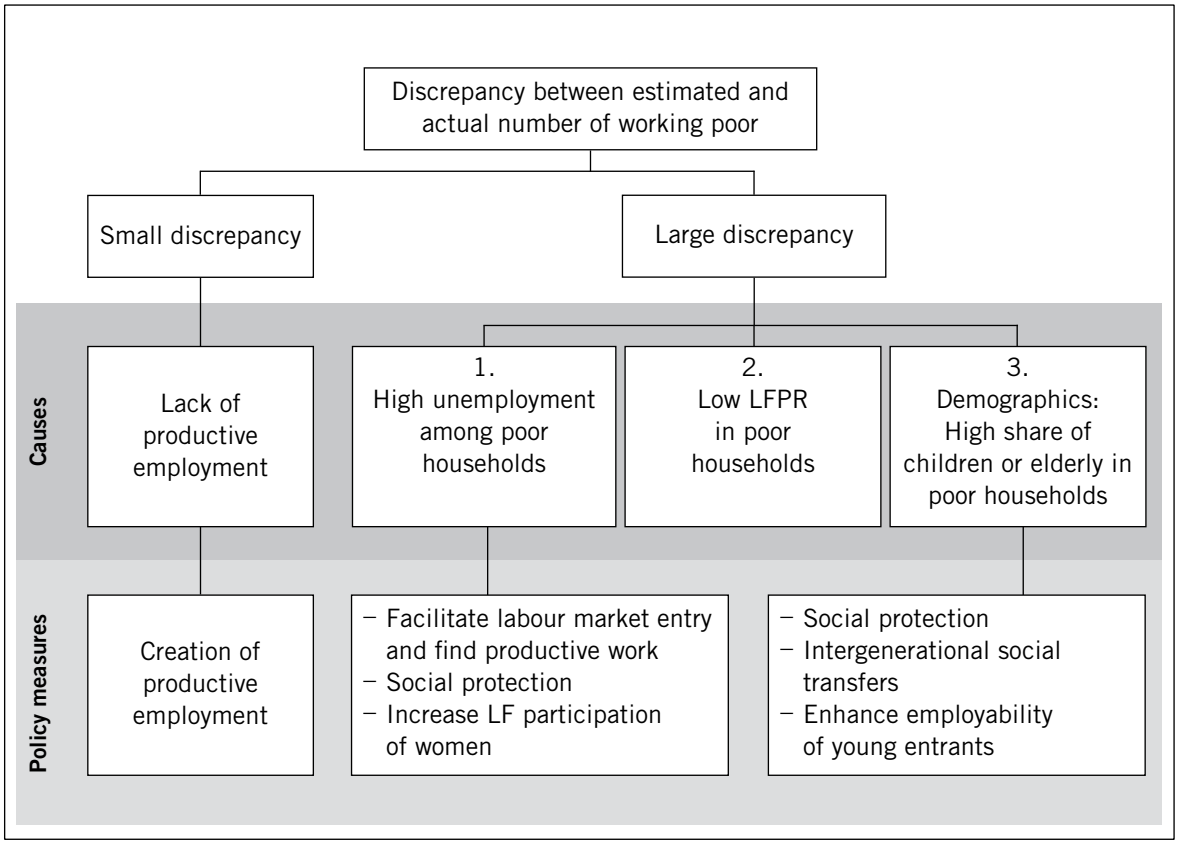
### *5.1.3. Shortage of labour resources*

Lack of labour, as opposed to lack of productive employment opportunities, indicates a shortage of labour resources in the household and is closely related to the demographic structure of the household. A high proportion of children and elderly and a low share of working age members in the household indicate an absolute shortage of labour resources. However, the lack of labour resources may also be perceived, rather than real, in situations where there is a low labour force participation rate among the working age members of the household.

In instances where poverty to a large extent can be ascribed to a high share of children and elderly and a shortage of labour resources, inter-generational social transfers (e.g. child allowances, pensions) and social protection more generally will inevitably have to be the primary instrument for reducing poverty. Preparing the young entrants to access the labour market by improving their employability may also prove to be a priority in the medium/long run.

The three different causes of poverty outlined above need to be sorted out and understood, and their relative importance needs to be assessed as they require different policy responses. The schema below (**Figure 9**) synthesizes the different sources of poverty as well as the policy measures implied.

**Figure 9 Cause of poverty from a labour pespective**



### Bosnia & Herzegovina: A need to address working poverty, unemployment and labour market participation of women

The case of Bosnia and Herzegovina is illustrative of a situation where a fairly high rate of working poor coexists with very high rates of unemployment and low participation rates in the labour force, and where poverty results from a combination of all three factors.

**Table 14** shows that the deficit of productive employment mainly takes the form of *unemployment, although there is also quite a high incidence of working poor*. In 2007 the unemployment rate was very high standing at 29 per cent, whereas the working poor made up roughly 12 per cent of the labour force.

**Table 14 Labour force classification and poverty – BiH, 2007**

| In 000 | Poor | Non Poor | Total |
|---|---|---|---|
| Employed | 139 | 711 | 850 |
| Unemployed | 93 | 254 | 347 |
| Total | 232 | 965 | 1196 |
| **In percent** | **Poor** | **Non Poor** | **Total** |
| Employed | 11.7 | 59.4 | 71.1 |
| Unemployed | 7.8 | 21.2 | 29.0 |
| Total | 19.4 | 80.7 | 100.0 |

*Source:* Labour Force Survey (LFS) 2007; Household Budget Survey (HBS) 2007.

*Calculation:* The number of employed and unemployed poor and non-poor is based on the poverty incidence of the head of household by labour market status (HBS 2007)

*Remark:* Deficit of productive employment shaded

The severity of the problem of unemployment is underscored by the fact that there is a positive correlation between poverty and unemployment. In 2007 the poverty incidence among households with an unemployed head of household was 27 per cent, compared to 16 per cent among households where the head of household was working (**Table 15**). Unemployment is more likely to concern the poor as 15 per cent of the poor were unemployed while less than 10 per cent of the non-poor were unemployed.

The fact that 22 per cent of the households headed by somebody who was not a pensioner, but still inactive, while 'only' 16 per cent of the households with an employed head of household was poor clearly shows that inactivity, just as unemployment, was a source of poverty (**Table 15**).

The problem of lack of employment was further underscored by exceptionally low participation rates in the labour force, particularly among women (**Table 16**). Only slightly more than half of the working age population[33] participated in the labour force in 2007 and only two out of five were actually working.[34]

There are large gender differences in labour force participation and in access to employment.[35] In 2007 roughly 40 per cent of the working age women participated in the labour force, less than 30 per cent were actually working and more than 60 per cent were inactive. The corresponding shares among working age men were 67 and 54 and 33 per cent. A more detailed analysis of the gender disparities on the labour

[33] Defined here as those aged 15-64.

[34] Later data suggest that these figures have hardly improved since 2007.

[35] The statistics does not allow any disaggregation analysis of access to productive employment by sex.

market indicate problems in accessing the labour market (such as lack of resources and information on employment or self-employment opportunities), but also insufficient child care facilities and an education system which reinforces the traditional roles of men and women and gendered labour roles.[36]

**Table 15 Distribution and proportion of households according to their poverty status by activity status of household head, 2007. Percentages.**

| | Distribution | | Incidence | |
|---|---|---|---|---|
| | Poor | Non Poor | Poor | Non poor |
| Total | 100.0 | 100.0 | 18.6 | 81.4 |
| Employed | 40.0 | 46.4 | 16.4 | 83.6 |
| Unemployed | 15.0 | 9.3 | 26.8 | 73.2 |
| Pensioner | 28.4 | 31.0 | 17.3 | 82.7 |
| Other | 16.7 | 13.3 | 22.2 | 77.8 |

*Source:* The BiH Household Budget Survey 2007

In 2007 youth unemployment reached 59 per cent (**Table 16** ), and only 18 per cent of the male youth and 9 per cent of the female youth were in employment.[37] The very low activity rates among young people can be partly explained by the fact that many continue to study well into their twenties and enter the labour market later, but the very high unemployment rate among the young indicates a shortage of jobs for young entrants and a mismatch between existing skills and labour market needs. Clearly, young people find it very difficult to enter the labour market.

**Table 16 Participation in the labour force by age groups and sex – BiH, 2007. Percentages.**

| Age | 15-24 | 25-49 | 50-64 | 15-64 | 15+ |
|---|---|---|---|---|---|
| *Activity rate* | *33* | *67* | *39* | *52* | *44* |
| Men | 41 | 84 | 55 | 67 | 58 |
| Women | 26 | 50 | 24 | 38 | 31 |
| *Employment rate* | *14* | *49* | *32* | *37* | *31* |
| Men | 18 | 64 | 45 | 54 | 42 |
| Women | 9 | 34 | 20 | 25 | 21 |
| *Unemployment rate* | *59* | *27* | *18* | *30* | *29* |
| Men | 55 | 24 | 18 | 27 | 27 |
| Women | 62 | 32 | 16 | 34 | 33 |

*Source:* LFS 2007

*remark:* Activity and employment rate as a percentage of the working age population, unemployment rate as a percentage of the labour force.

[36] Leila Somun-Krupalija.*Gender and Employment in Bosnia and Herzegovina – A country Study*, Working Paper 4/2011 (Geneva: ILO Bureau for Gender Equality)

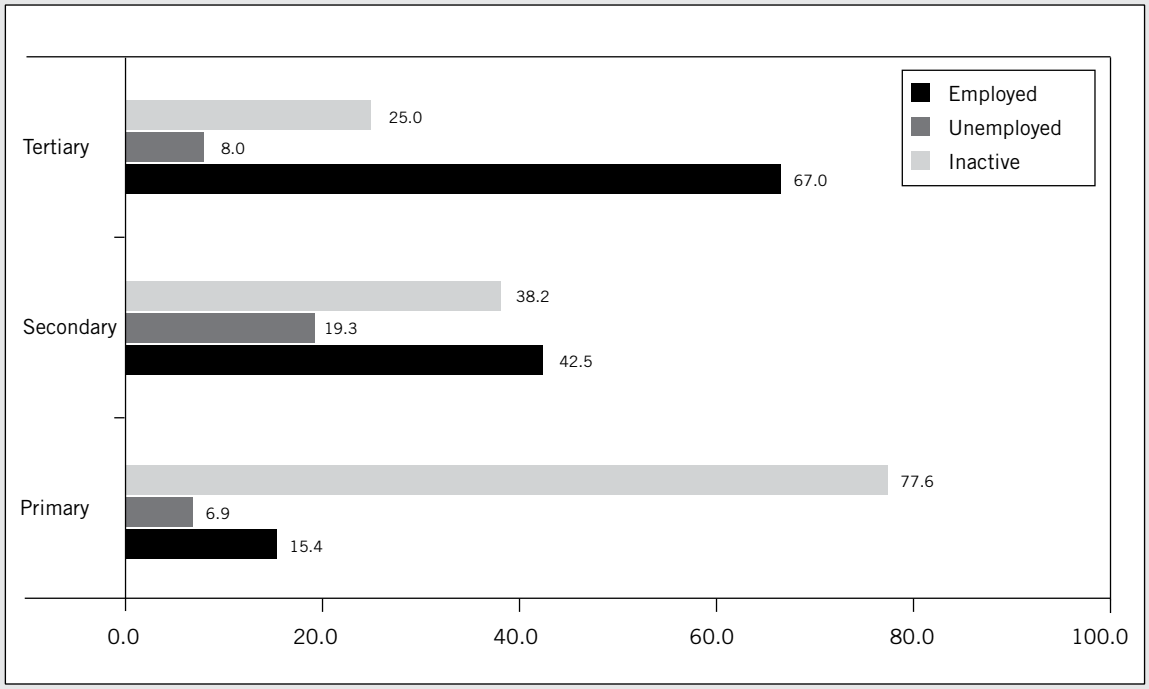
[37] The situation has subsequently improved somewhat. By 2009 youth unemployment had fallen to 49 per cent.

However, there is a very close relationship between level of education, employment rates and exposure to poverty, suggesting that measures aimed at increasing the employment generating capacity of the economy would need to be complemented by equally forceful measures aimed at human resources development and increasing employability and the level, quality and relevance of education.

In 2007, almost 80 per cent of the working age population with primary education or less were inactive and only 15 per cent were employed (**Figure 10**). The small number of unemployed among those with only primary education was due to the widespread discouragement that stemmed from a low employability among people with low levels of education and resulted in high inactivity rates.[38] By contrast, the employment rate for those with tertiary education was 67 per cent and for those with secondary education 38 per cent. These differences were even more pronounced among women than among men, suggesting that increasing the educational level of women is of paramount importance to improving their access to employment.

The incidence of poverty was also closely related to the level of education. In 2007 a third of all households headed by somebody with no more than primary education were poor, as against 'only' 15 per cent of the households where the head of household had at least secondary education.

**Figure 10 Labour market participation of the working age population by educational attainment – BiH, (% of the working age population, 2007)**




*Source:* LFS 2007

In a situation where an unfavourable intra-household dependency ratio – due to the reasons outlined above – is an important cause of poverty, reducing the number of working poor will not suffice to effectively reduce poverty, but as illustrated in **Figure 9** of the previous section, a combination of policy measures is needed.

[38] Shagun Khare, Per Ronnas, Leyla Shamchiyeva. *Employment diagnostic analysis: Bosnia and Herzegovina* (Geneva: ILO, 2011)

In the case of Bosnia and Herzegovina, a combination of employment and labour market targets, pertaining to reducing unemployment, increasing labour force participation rates and increasing income from labour in poor households would be needed. The same is no doubt the case in other countries at similar levels of development, although the exact combination of such targets will need to vary from country to country, depending on the specific nature of the causes of poverty. Thus, while the focus on increasing productive employment opportunities for those living in poverty remains central and may be operationalised in the form of an overall target, the extent to which this should be achieved through improved productivity and returns to labour among the working poor or through creation of productive employment opportunities for non-working members of poor households will vary.

In a country like Bosnia and Herzegovina increasing the employment rate would also go a long way in terms of reducing poverty. With more people in employment, the intra-household dependency ratio would improve and the income needed by each bread-winner to bring her/himself and her/his family out of poverty would fall.

In view of the often large gender-based differences in access to employment, a strong case can be made for sex-disaggregated employment targets. Similarly, a specific target for reducing youth unemployment would be strongly recommended. However, as the case of Bosnia and Herzegovina shows, the employment challenges not only pertain to increasing the number of jobs in the economy, but also to increasing productivity and returns to labour.

### *5.2. Addressing the twin objectives of poverty reduction and reduction of unemployment*

As illustrated in the case of Bosnia and Herzegovina, above, unemployment and low participation rates in the labour force due to discouragement or other impeding factors can be an important cause of poverty along with insufficient incomes from employment (working poverty). However, unemployment and poverty do not always go hand in hand. The case of the Province of Maluku in Indonesia is illustrative of a situation where poverty mainly results from low productivity and incomes from employment, but where the correlation between poverty and unemployment is rather weak. Achieving the goal of full and productive employment and decent work for all therefore requires *both* reducing the number of working poor *and* reducing unemployment through a combination of policy measures.

Maluku's poverty rate (27.7 per cent in 2010) is among the highest in Indonesia and twice as high as the national average (13.3 per cent in 2010). The unemployment rate stood at 10 per cent in 2010, which was also higher than the country average of 7.1 per cent. Although lack of access to micro data from the household income expenditure surveys precludes exact calculations of the number of working poor and the number and share of poor and non-poor among the unemployed, an analysis of the main characteristics of the unemployed and of the heads of poor households makes it clear that by and large these are two different categories.

As evident from **Table 17**, only a few of the poor are unemployed: a mere 2.2 per cent of the poor did not have a job at the time of the survey. As much as 97.8 per cent of the poor were working, and almost 82 per cent of all poor were working in agriculture. Considering that agriculture is the main source of employment for the rural population – as much as 70 per cent of the rural working population was employed in

agriculture – it can be concluded that in rural areas the primary manifestation of the deficit of productive employment is working poverty and low productivity in agriculture. In urban areas, however, the deficit of productive employment is primarily a question of high levels of unemployment. The unemployment rate was considerably higher in urban areas (16 per cent) than in rural areas (8.6 per cent), although in terms of numbers there were more unemployed in rural than in urban areas.

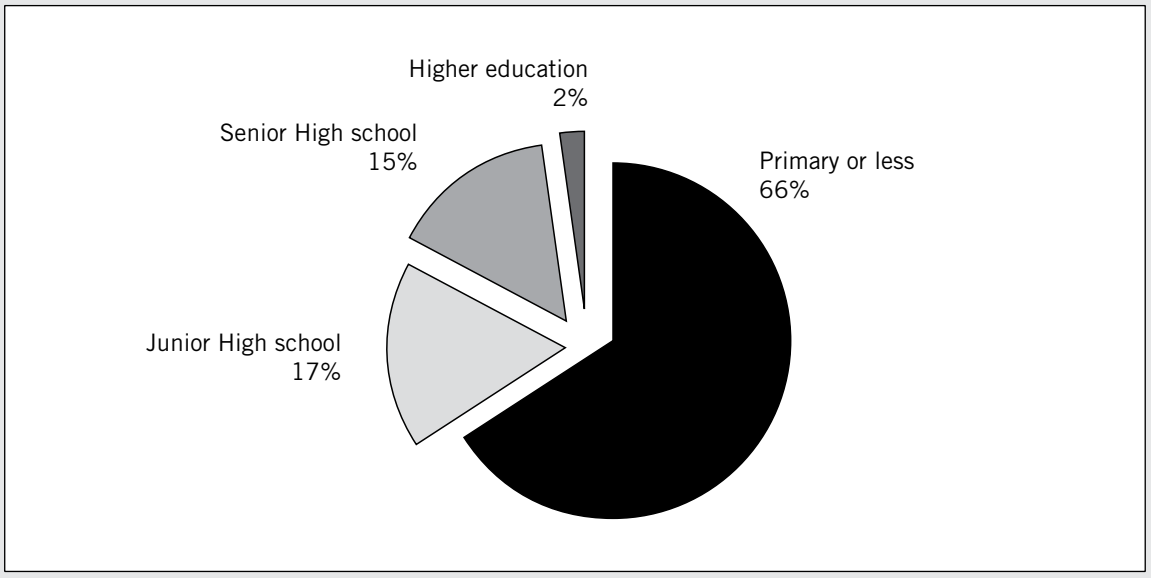
**Table 17 Labour force and poor people by sector and labour market status – Maluku, 2009. Percentages**

| | Unemployed | Working in agriculture | Working in non-agriculture | Total |
|---|---|---|---|---|
| Total LF | 10.6 | 50.3 | 39.1 | 100 |
| Poor in the LF | 2.2 | 81.7 | 16.1 | 100 |

*Source:* [*Pusat Data dan Informasi Ketenagakerjaan*] Data centres and employment information, Manpower and Transmigration Ministry: http://pusdatinaker.balitfo.depnakertrans.go.id; [*Data dan Informasi Kemiskinan, Kabupaten / Kota 2009*] Data and information on poverty, by District/City 2009, [*Badan Pusat Statistik 2009*] (hereafter BPS) Central Bureau of Statistics.

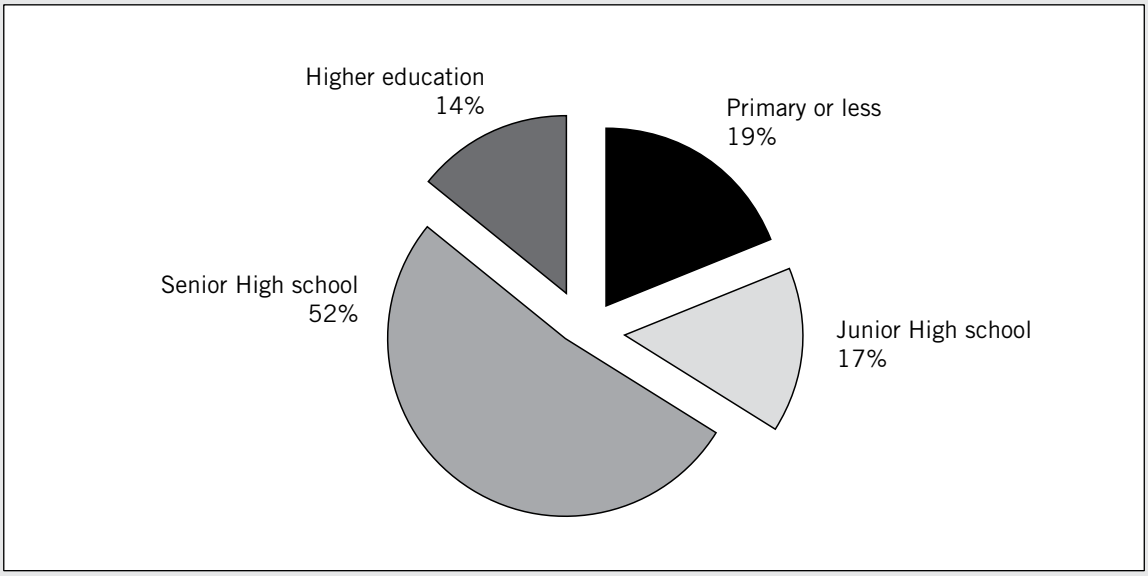
There is a strong link between poverty and education levels in Maluku: the higher the education level of the head of a household, the lower the incidence of poverty (**Figure 11**). In 2007, as much as two thirds of the poor households were headed by persons with no more than primary education. Finishing high school reduced the incidence of poverty to only 2 per cent. By contrast, unemployment affects the well-educated relatively more than those with lower levels of education. In 2009 two out of three unemployed had completed senior high school or more, and only 19 per cent had only primary education or less (**Figure 12**). Indeed, 52 per cent of the unemployed had a secondary education or more, while those with only primary education accounted for only 19 per cent of the unemployed.

**Figure 11 Distribution of poor households by level of education of the head of household – Maluku, 2007**




*Source:* Trends of the Selected Socio-Economic Indicators of Indonesia, p 51, BPS, 2009

**Figure 12 Unemployed by level of education attainment – Maluku, 2009**




*Source:* Labour Force Situation in Indonesia (hereafter LFS), August 2009 (p 35; p45; p130), BPS, 2009

Thus, it may be concluded that policies aimed at reducing the two manifestations of the deficit of productive employment - working poverty and unemployment – would need to have a twin focus in Maluku: (i) increasing the productivity and incomes of the rural poor, with a strong focus on agriculture, and (ii) creating new productive employment opportunities for the unemployed in both rural and in urban areas, but with a focus on jobs requiring middle or higher levels of education. In view of the higher unemployment rates and lower labour force participation rates among the young and among women, special efforts may be needed to facilitate school-to-work transition for the young and to promote access to productive employment opportunities for women.

# 6. Matching the need for productive employment with supply: A focus on the economy

The sections above have outlined methodologies for estimating deficits of productive employment and for projecting the need for generation of productive employment in the years to come. In the final analysis this needs to be cast against the performance of the economy in terms of productive employment creation and economic policy. Contrasting the need/demand for productive employment with the generation of productive employment in the economy will cast light on a number of important questions and issues, such as:

- If the economic development is on track to achieve the targets for productive employment creation, and by implication poverty reduction targets
- The possible need to improve the rate and quality of growth to achieve the targets for productive employment creation and poverty reduction
- If economic policies are fully in line with the targets for productive employment creation and poverty reduction

A few basic tables depicting the economic development over the past 5-10 years can provide a fairly good basis for a first analysis of the performance of the economy from an employment perspective. These should include:

- The rate of GDP growth in the past 10-20 years, broken down by periods and by source of growth, i.e. (i) growth of employment and (ii) growth of labour productivity
- The sector composition of total value added (GDP) and of employment at present and at selected previous years, expressed as percentages
- The contribution of the main economic sectors to (i) growth in aggregate value added/GDP and (ii) to employment, expressed as percentages
- Labour productivity by main economic sectors at present and at selected previous years. This may be expressed as an index, with the national average at each year = 100
- The employment elasticity of growth by main economic sectors (measured over at least a five year period(s). The rate or percentage growth of labour productivity over the same period(s)

Combined with information on the development of the labour force, employment, productive employment, working poor and unemployment this can yield a quick yet fairly accurate picture of the strengths and weaknesses of the economic development from an employment perspective. Some of the questions that one would need to answer would be:

- To what extent has economic development been associated with structural changes of total value added/GDP and of employment?
- What are the most important sectors in terms of employment and in terms of value added? To what extent have these changed over time? Are these also the main sources of growth of GDP and employment?

- Are the sectors registering the highest economic growth the same as those creating most new employment? Are there sectors where employment growth is much faster than economic growth? That is where employment growth is taking place at the expense of productivity and, presumably, wages and incomes

However, to complete the picture the economic development also needs to be assessed from the perspective of inclusiveness. To what extent have the productive jobs created been accessible to the working poor and the unemployed? This requires a breakdown of the economic development by regions and/or rural-urban and, for employment, also by sex. Information on the education and skills requirements of the new jobs created or changes in the education and skills composition of the employed by sector and sex will add important additional information. Some of the questions to which answers should be sought would be:

- To what extent have productive jobs been created in the areas, sectors and occupations where the working poor and the unemployed are predominantly found?
- What has been the rate of growth of labour productivity and the contribution of productivity growth to total growth in the sectors with a high share of working poor? To what extent has productivity growth translated into higher wages and incomes?
- Is there evidence of gender-based inequality in access to productive employment? If so, is it likely to be due to inequality in terms of employability (education, skills levels) and/or opportunity and access?
- Do the (i) working poor and the (ii) unemployed have the necessary education and skills to access the occupations and sectors that have been the main drivers of productive employment creation and/or where the best prospects of future productive employment creation are likely to be found?

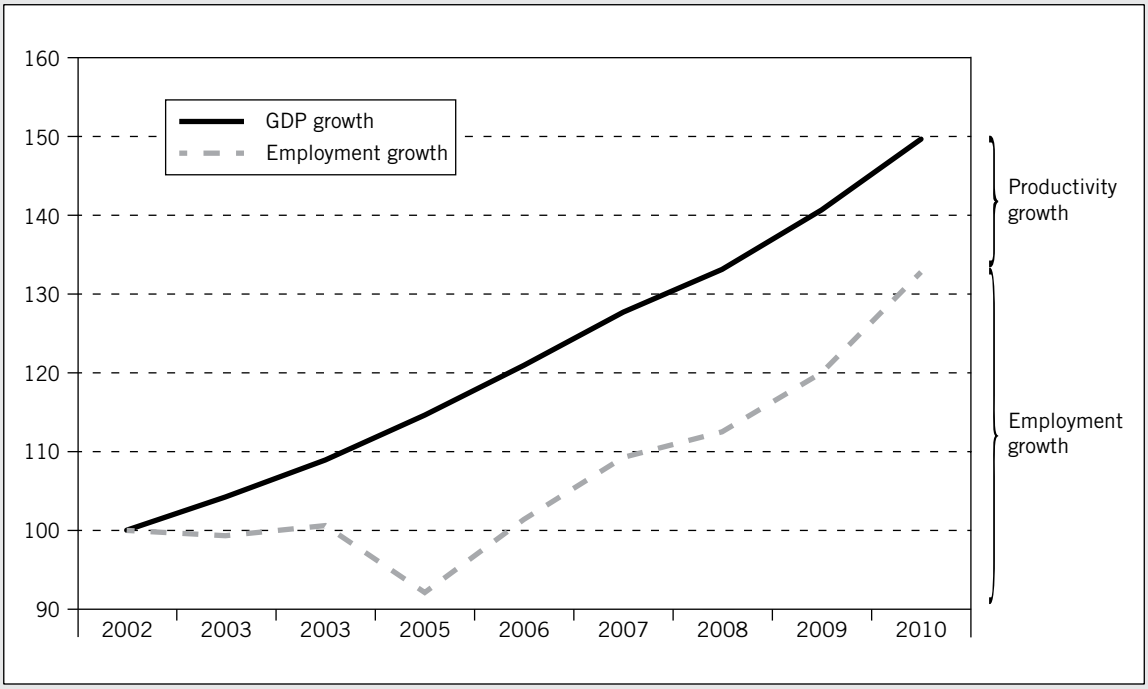
The case of Maluku, Indonesia, is provided below to show how such a first analysis may come out.[39]

**Figure 13** illustrates the economic and employment development in Maluku over time. At first sight, the picture appears very positive: The economy of the province grew by 50 per cent between 2002 and 2010, at an average rate of about 5 per cent per year. The composition of growth seems positive, with growth achieved mainly through growth in employment, but also through a respectable growth in productivity. However, this aggregate conceals major problems in the pattern of economic growth in Maluku that a series of tables helps to reveal: The economic and employment growth took place in different sectors. Agriculture was the main driver of economic growth, whereas most of the jobs were created in the services sector.

Comparing the sector composition of GDP against that of employment casts light on the economic and labour market dynamics in the province. The economy of the province is predominantly agrarian, although there has been a noticeable shift from agriculture to other sectors of the economy. Still, by 2010 agriculture accounted for almost a third of GDP and for more than half of all employment. The share of agriculture in GDP has declined more slowly (by 4.2 percentage points between 2002 and 2010) than its share in total employment, which dropped by almost 15 percentage points (**Table 18**). This signals an increase in productivity in agriculture, albeit from a low level. The services sectors

[39] For a more detailed discussion, see *Employment diagnostic analysis: A methodological guide* (Geneva: ILO, Employment Sector, 2012)

**Figure 13 Provincial GDP and employment growth index – Maluku, 2002–2010 (2002=100)**




*Source:* [BPS Provinsi Maluku, 2010] Maluku Province Central Bureau of Statistics. (http://maluku.bps.go.id)

**Table 18 Contributions of sectors to GDP and employment – Maluku, 2002/2010. Percentages**

| | % share of GDP | | % of employment | |
|---|---|---|---|---|
| **Year** | **2002** | **2010** | **2002** | **2010** |
| Agriculture | 35.5 | 31.3 | 66.3 | 51.4 |
| Industry | 7.5 | 7.8 | 8.2 | 9.0 |
| Mining and quarrying, electricity, gas etc | 1.4 | 1.2 | 0.6 | 0.8 |
| Manufacturing | 4.9 | 4.8 | 5.2 | 5.0 |
| Construction | 1.2 | 1.8 | 2.3 | 3.2 |
| Services | 57.0 | 60.9 | 25.5 | 39.6 |
| Trade, restaurants | 24.0 | 25.7 | 8.3 | 14.6 |
| Transport & communication | 7.9 | 10.9 | 4.9 | 6.2 |
| Social and personal services | 19.5 | 18.9 | 10.6 | 17.9 |
| All sectors | 100.0 | 100.0 | 100.0 | 100.0 |

*Sources:* LFS in Indonesia, August 2002 and August 2010 (Jakarta: Badan Pusat Statistik); [*Kajian Ekonomi Regional Provinsi Maluku*] Maluku Province Regional Economic Assessment (Ambon: Bank of Indonesia, 2010); GDP 2010 data provided by BPS Maluku

dominate the non-farm economy entirely, a dominance that has increased over the past decade. By 2010 services accounted for over 60 per cent of GDP and for 40 per cent of all employment. Trade, restaurants and hotels services accounted for over a quarter of GDP, while the social and personal services sector, which is dominated by public sector services, accounted for slightly less than a fifth of the GDP. The industrial sector remained quite insignificant. Manufacturing accounted for no more than 5 per cent of either GDP or employment and there was no indication that these shares were increasing.

**Table 19** on the contribution of different sectors to the total growth of GDP and employment puts the imbalances in the structural patterns of the development in a stark light.

In Maluku agriculture accounted for almost a quarter of the economic growth between 2002 and 2010, however growth in employment in agriculture was by no means commensurate and accounted for less than five per cent of the new jobs over the period. This development should be considered as positive. Growth in agriculture was primarily attributed to an increase in productivity and such increase is crucial in view of the high incidence of working poor in this sector. A continued increase in productivity and incomes rather than increase of employment in agriculture would be needed to achieve a greater impact on poverty. Most of the economic growth took place in the services sector, which accounted for over two thirds of the growth between 2002 and 2010. Trade, restaurants and hotels accounted for almost 30 per cent of the GDP growth, slightly increasing its share of the economy. Social and private services, i.e. primarily public sector services, and transport and communications each accounted for 17 per cent of the growth of the GDP. The predominant role of the services sectors was even more pronounced as a source of employment growth. In the absence of a strong manufacturing sector and with virtually no employment growth in agriculture, the increase in employment was largely confined to the services sectors, which accounted for 84 out of every 100 new jobs created over the period. One third of the total increase in employment took place in trade, restaurants and hotels while two out of five new jobs were in social and private services, i.e. mostly publicly funded.

**Table 19 Contribution of sectors to growth in GDP and employment – Maluku, 2002–2010. Percentages**

| 2002–2010 | GDP growth | Employment |
|---|---|---|
| Agriculture & fishing | 22.8 | 4.5 |
| Industry | 8.4 | 11.5 |
| Mining and quarrying/electricity, gas etc. | 0.9 | 1.3 |
| Manufacturing | 4.5 | 4.3 |
| Construction | 3.1 | 6.0 |
| Services | 68.7 | 84.0 |
| Trade & restaurants | 29.3 | 34.6 |
| Transport & communications | 17.0 | 10.3 |
| Social and private services | 17.7 | 41.0 |
| All sectors | 100.0 | 100.0 |

*Sources:* See table 12.

The rapid growth of employment in the services sectors took place at the expense of productivity. The very high employment elasticities in trade, restaurants and hotels (2.20) and in public and private services (2.76) implied that employment grew two to three times faster than value added in these sectors. As a consequence, productivity fell by 31 and 35 per cent respectively and by 22 per cent in the services sectors overall, at the same time as it increased by 29 per cent in agriculture (**Table 20**). In view of the large differences in productivity between agriculture on the one hand and the services sectors on the other, this may be considered as a natural and positive development: Labour shifted from a low productivity sector (agriculture) to services sectors where productivity was much higher. As a consequence, GDP grew as productive resources moved from areas of low productivity to areas of high productivity, incomes from labour presumably increased and the number of working poor fell.

### Calculating labour productivity and employment elasticity

*Labour productivity* is calculated as the value added created per unit of input of labour used (ideally measured as a total number of days or hours of work). GDP over employment or total value added produced in a sector over employment in the sector often provide a good estimate of labour productivity in the absence of time-use data. *Employment elasticity* can be measured as the percentage change in employment resulting from a one per cent growth of value added/GDP. It shows the extent to which growth is a result of an increased use of labour. The optimal employment elasticity is situation specific and depends on the relative need to increase productivity and incomes versus jobs. An analysis of the nature of the deficit of productive employment and the need for productive employment creation can provide a good indication of the desirable employment elasticity. The employment elasticity should range between 0 and 1. A negative employment elasticity implies that growth has gone hand in hand with a fall in employment. An employment elasticity higher than 1 implies employment growth resulting in a fall of productivity. The employment elasticity needs to be disaggregated by main economic sectors as aggregate figures can mask important sector differences. In situations with very low or negative rates of economic growth figures on employment elasticities should be interpreted with extreme care and may not yield much meaningful information.

*Growth of labour productivity* can be calculated as the percentage growth of value added at constant prices per worker (or hour worked) over a specific period of time.

**Table 20 Productivity growth and employment elasticity by sectors – Maluku, 2002–2010. Percentages**

| 2002–2010 | Productivity growth | Employment elasticity |
|---|---|---|
| Agriculture | 29 | 0.07 |
| Industry | 7 | 0.81 |
| Manufacturing | 15 | 0.57 |
| Mining, electricity, gas & water | –22 | 2.16 |
| Construction | 23 | 0.66 |
| Services | –22 | 1.76 |
| Trade, hotels & restaurants | –31 | 2.20 |
| Transport & communication | 24 | 0.63 |
| Financing, insurance, real estate, business | 115 | –0.82 |
| Public and private services | –35 | 2.76 |
| All sectors | 13 | 0.64 |

*Sources:* See Table 11.

However, this development is hardly sustainable. There is clearly a limit to the number of jobs that can be created in the public sector and a continued employment growth in trade, hotels and restaurants at the expense of productivity and incomes is rather undesirable. While the main strength has been the rapid growth of value added in agriculture, the main weakness of the structure of growth was arguably the weak development of manufacturing, which also suggests a weak position of tradable goods in the growth. The main conclusion resulting from the analysis is that continued economic development would require a further intensification and market-orientation of agriculture, fishing and aquaculture. This would need to be combined with a diversification of the economy, with priority given to developing linkages to and from agriculture, to building and strengthening value added chains and to developing modern manufacturing.

Following this first analysis a number of different methodological approaches may be taken to gain further insights into the challenge of achieving targets for productive employment.[40]

An Employment Diagnostic Analysis (EDA) may be undertaken to identify the main constraints, challenges and opportunities to enhance productive employment in an inclusive and sustainable manner, as a basis for prioritisation and a sharper policy focus.[41]

Several econometric models, such as Dynamic Social Accounting Matrices (DySAM), have been developed to explore the likely employment outcomes of different growth scenarios. These models may also be used to explore the likely direct and indirect employment impact of investments in different sectors or of changes in trade.[42] There are also methods for value added chain analysis, which are geared towards understanding the nature of value added chains, main weaknesses in these chains and the scope for strengthening the chains with a view to increasing growth and employment creation through stronger multipliers in the economy.[43]

[40] For a more comprehensive list see Appendix in *Employment Diagnostic Analysis: A methodological guide* (Geneva: Employment Sector, ILO, 2012); or *Guide for the formulation and implementation of national employment policies* (Geneva: Employment Sector, ILO, 2011). Draft.

[41] *Employment Diagnostic Analysis: A methodological guide* (Geneva: Employment Sector, ILO, 2012).

[42] See Jorge Alarcon et.al. *Concept, Methodology and Simulation Outcomes. The case of Indonesia and Mozambique*, Employment Working Paper No 88 (Geneva: ILO, 2011); Souleima El Achkar Hilal, The Mongolia Projection Model (Geneva: ILO, 2011). Draft.

[43] For web-based information see, homepage of Job Creation and Enterprise Development Department, Employment Sector, at www.ilo.org.

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- www.laborsta.org
- Labour force projections
  http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html

# Appendix:
# Working poor by country (KILM)

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Algeria | 1995 | 6.8 | 23.6 | | | 3.9 | 15.9 | 0.57 | 0.67 | ILO |
| Angola | 2000 | 54.3 | 70.2 | | | 50.1 | 65.1 | 0.92 | 0.93 | ILO |
| Armenia | 1996 | 17.5 | 38.9 | | | 9.7 | 29.9 | 0.55 | 0.77 | ILO |
| Armenia | 1999 | 18.0 | 48.8 | | | 9.8 | 37.4 | 0.54 | 0.77 | ILO |
| Armenia | 2001 | 11.0 | 37.6 | | | 5.9 | 28.7 | 0.54 | 0.76 | ILO |
| Armenia | 2002 | 15.0 | 46.7 | | | 8.0 | 35.3 | 0.53 | 0.76 | ILO |
| Armenia | 2003 | 10.6 | 43.4 | | | 5.6 | 32.6 | 0.53 | 0.75 | ILO |
| Armenia | 2004 | | | 45.3 | 278.0 | 3.9 | 24.0 | | | LSS |
| Armenia | 2008 | 1.3 | 12.4 | | | 0.7 | 9.0 | 0.54 | 0.73 | ILO |
| Azerbaijan | 1995 | 16.3 | 39.1 | | | 12.5 | 34.0 | 0.77 | 0.87 | ILO |
| Azerbaijan | 2001 | 6.3 | 27.1 | | | 4.7 | 23.0 | 0.75 | 0.85 | ILO |
| Azerbaijan | 2008 | 1.0 | 7.7 | | | 0.7 | 6.1 | 0.70 | 0.79 | ILO |
| Bangladesh | 1992 | 52.7 | 85.7 | | | 55.9 | 89.8 | 1.06 | 1.05 | ILO |
| Bangladesh | 1996 | 49.6 | 79.4 | | | 51.4 | 81.8 | 1.04 | 1.03 | ILO |
| Bangladesh | 2000 | 56.1 | 83.1 | 24 570.4 | 36 569.6 | 56.1 | 83.5 | 1.00 | 1.00 | IES |
| Bangladesh | 2005 | 50.5 | 80.3 | 22 522.1 | 36 016.3 | 50.1 | 80.1 | 0.99 | 1.00 | IES |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Belize | 1995 | 14.0 | 23.6 | | | 10.7 | 18.3 | 0.76 | 0.78 | ILO |
| Belize | 1999 | 12.4 | 24.5 | | | 9.4 | 19.1 | 0.76 | 0.78 | ILO |
| Benin | 2003 | 47.3 | 75.3 | 1 173.9 | 1 921.3 | 43.6 | 71.3 | 0.92 | 0.95 | CWIQ |
| Bhutan | 2003 | 26.2 | 49.5 | 66.8 | 126.4 | 26.9 | 50.8 | 1.03 | 1.03 | LSS |
| Bolivia | 1999 | 26.3 | 36.1 | | | 25.3 | 33.9 | 0.96 | 0.94 | ILO |
| Bolivia | 2002 | 22.8 | 34.2 | 777.0 | 1 137.7 | 21.9 | 32.0 | 0.96 | 0.94 | HS |
| Bolivia | 2005 | 19.6 | 30.3 | | | 18.6 | 28.2 | 0.95 | 0.93 | ILO |
| Bolivia | 2007 | 13.6 | 25.1 | | | 12.9 | 23.4 | 0.95 | 0.93 | ILO |
| Botswana | 1994 | 31.2 | 49.4 | | | 24.0 | 38.7 | 0.77 | 0.78 | ILO |
| Brazil | 1992 | 13.3 | 24.4 | | | 7.3 | 14.8 | 0.55 | 0.61 | ILO |
| Brazil | 1993 | 13.0 | 24.7 | | | 7.1 | 15.0 | 0.55 | 0.61 | ILO |
| Brazil | 1995 | 10.5 | 21.9 | | | 5.7 | 13.2 | 0.54 | 0.60 | ILO |
| Brazil | 1996 | 11.4 | 22.6 | | | 6.1 | 13.6 | 0.54 | 0.60 | ILO |
| Brazil | 1997 | 12.0 | 23.3 | | | 6.4 | 14.0 | 0.53 | 0.60 | ILO |
| Brazil | 1998 | 11.0 | 22.5 | | | 5.9 | 13.5 | 0.54 | 0.60 | ILO |
| Brazil | 1999 | 11.2 | 23.0 | | | 5.9 | 13.8 | 0.53 | 0.60 | ILO |
| Brazil | 2001 | 11.0 | 22.3 | | | 5.8 | 13.4 | 0.53 | 0.60 | ILO |
| Brazil | 2002 | 9.8 | 21.3 | | | 5.2 | 12.8 | 0.53 | 0.60 | ILO |
| Brazil | 2003 | 10.4 | 21.7 | | | 5.5 | 13.0 | 0.53 | 0.60 | ILO |
| Brazil | 2004 | 11.7 | 20.9 | | | 6.2 | 12.5 | 0.53 | 0.60 | ILO |
| Brazil | 2005 | 7.8 | 18.3 | | | 4.1 | 11.0 | 0.53 | 0.60 | ILO |
| Brazil | 2007 | | | 2 356.5 | 6 490.1 | 2.7 | 7.5 | | | HS |
| Brazil | 2008 | 4.3 | 10.4 | | | 2.2 | 6.2 | 0.51 | 0.60 | ILO |
| Brazil | 2009 | 3.8 | 9.9 | | | 2.0 | 5.9 | 0.53 | 0.60 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Burkina Faso | 1994 | 71.2 | 85.8 | | | 71.7 | 87.8 | 1.01 | 1.02 | ILO |
| Burkina Faso | 1998 | 70.0 | 87.6 | | | 69.6 | 88.5 | 0.99 | 1.01 | ILO |
| Burkina Faso | 2003 | 56.5 | 81.2 | 2 818.8 | 4 120.9 | 55.5 | 81.1 | 0.98 | 1.00 | CWIQ |
| Burundi | 1992 | 84.2 | 95.2 | | | 80.7 | 92.7 | 0.96 | 0.97 | ILO |
| Burundi | 1998 | 86.4 | 95.4 | 2 230.2 | 2 495.6 | 85.3 | 95.4 | 0.99 | 1.00 | LSS |
| Burundi | 2006 | 81.3 | 93.4 | | | 75.8 | 89.8 | 0.93 | 0.96 | ILO |
| Cambodia | 1994 | 48.6 | 77.8 | | | 50.5 | 82.9 | 1.04 | 1.07 | ILO |
| Cambodia | 2004 | 40.2 | 68.2 | 2 439.6 | 4 346.3 | 37.0 | 66.0 | 0.92 | 0.97 | SES |
| Cambodia | 2007 | 28.3 | 56.4 | | | 25.1 | 53.1 | 0.89 | 0.94 | ILO |
| Cameroon | 1996 | 51.5 | 74.4 | | | 49.4 | 72.6 | 0.96 | 0.98 | ILO |
| Cameroon | 2001 | 32.8 | 57.7 | 1 610.7 | 2 893.3 | 31.0 | 55.8 | 0.95 | 0.97 | HS |
| Cape Verde | 2001 | | | 21.8 | 45.3 | 16.0 | 33.3 | | | IES |
| CAR | 1992 | 83.2 | 91.0 | | | 78.6 | 88.7 | 0.94 | 0.97 | ILO |
| CAR | 2003 | 62.4 | 81.9 | | | 58.7 | 79.8 | 0.94 | 0.97 | ILO |
| CAR | 2008 | 62.8 | 80.1 | | | 58.6 | 77.5 | 0.93 | 0.97 | ILO |
| Chad | 2003 | 61.9 | 83.3 | | | 58.7 | 80.4 | 0.95 | 0.97 | ILO |
| Chile | 1994 | 2.6 | 10.4 | | | 1.9 | 8.1 | 0.73 | 0.78 | ILO |
| Chile | 1996 | 0.4 | 7.8 | | | 0.0 | 6.0 | 0.00 | 0.77 | ILO |
| Chile | 1998 | 0.7 | 7.5 | | | 0.0 | 5.7 | 0.00 | 0.76 | ILO |
| Chile | 2000 | 1.0 | 6.0 | | | 0.7 | 4.5 | 0.70 | 0.75 | ILO |
| Chile | 2003 | 1.1 | 5.3 | | | 0.8 | 4.1 | 0.73 | 0.77 | ILO |
| Chile | 2006 | 0.2 | 2.4 | | | 0.0 | 1.8 | 0.00 | 0.75 | ILO |
| Chile | 2009 | 0.0 | 0.0 | | | 0.0 | 0.0 | | | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Colombia | 1995 | 11.7 | 24.1 | | | 9.2 | 19.1 | 0.79 | 0.79 | ILO |
| Colombia | 1996 | 13.8 | 26.0 | | | 10.7 | 20.6 | 0.78 | 0.79 | ILO |
| Colombia | 1998 | 15.9 | 28.4 | | | 12.5 | 22.7 | 0.79 | 0.80 | ILO |
| Colombia | 1999 | 17.2 | 30.2 | | | 13.6 | 24.4 | 0.79 | 0.81 | ILO |
| Colombia | 2000 | 16.6 | 29.4 | | | 13.2 | 23.8 | 0.80 | 0.81 | ILO |
| Colombia | 2003 | 15.4 | 26.3 | 2 168.5 | 3 801.2 | 12.2 | 21.3 | 0.79 | 0.81 | LSS |
| Colombia | 2006 | 16.0 | 27.9 | | | 12.6 | 22.6 | 0.79 | 0.81 | ILO |
| Comoros | 2004 | 46.1 | 65.0 | | | 42.0 | 61.2 | 0.91 | 0.94 | ILO |
| Congo | 2005 | 54.1 | 74.4 | 632.6 | 879.6 | 52.4 | 72.9 | 0.97 | 0.98 | CWIQ |
| Congo, DR | 2006 | 69.2 | 79.5 | | | 59.7 | 82.2 | 0.86 | 1.03 | ILO |
| Costa Rica | 1992 | 8.7 | 18.1 | | | 6.4 | 14.2 | 0.74 | 0.78 | ILO |
| Costa Rica | 1993 | 7.9 | 17.2 | | | 5.9 | 13.5 | 0.75 | 0.78 | ILO |
| Costa Rica | 1996 | 7.1 | 15.6 | | | 5.2 | 12.2 | 0.73 | 0.78 | ILO |
| Costa Rica | 1997 | 4.5 | 12.2 | | | 3.3 | 9.6 | 0.73 | 0.79 | ILO |
| Costa Rica | 1998 | 4.0 | 11.1 | | | 2.9 | 8.7 | 0.73 | 0.78 | ILO |
| Costa Rica | 2000 | 4.4 | 11.5 | | | 3.2 | 9.0 | 0.73 | 0.78 | ILO |
| Costa Rica | 2001 | 3.5 | 10.0 | | | 2.6 | 7.9 | 0.74 | 0.79 | ILO |
| Costa Rica | 2003 | 4.8 | 11.3 | | | 3.5 | 8.9 | 0.73 | 0.79 | ILO |
| Costa Rica | 2005 | 2.4 | 8.6 | | | 1.7 | 6.7 | 0.71 | 0.78 | ILO |
| Costa Rica | 2009 | 0.7 | 5.4 | | | 0.0 | 4.2 | 0.00 | 0.78 | ILO |
| Côte d'Ivoire | 1993 | 17.8 | 43.5 | | | 18.0 | 42.6 | 1.01 | 0.98 | ILO |
| Côte d'Ivoire | 1995 | 21.1 | 47.9 | | | 21.3 | 46.9 | 1.01 | 0.98 | ILO |
| Côte d'Ivoire | 1998 | 24.1 | 49.1 | | | 23.9 | 47.7 | 0.99 | 0.97 | ILO |
| Côte d'Ivoire | 2002 | 23.3 | 46.8 | 1 453.1 | 2 847.6 | 23.3 | 45.7 | 1.00 | 0.98 | LSS |
| Côte d'Ivoire | 2008 | 23.8 | 46.3 | | | 23.8 | 45.5 | 1.00 | 0.98 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Djibouti | 1996 | 4.7 | 15.5 | 1.1 | 3.6 | 2.6 | 8.5 | 0.55 | 0.55 | HS |
| Dominican Republic | 1992 | 4.6 | 14.5 | | | 3.5 | 11.7 | 0.76 | 0.81 | ILO |
| Dominican Republic | 1996 | 5.9 | 15.7 | | | 4.5 | 12.7 | 0.76 | 0.81 | ILO |
| Dominican Republic | 1997 | 6.8 | 15.5 | | | 5.2 | 12.5 | 0.76 | 0.81 | ILO |
| Dominican Republic | 2000 | 4.4 | 12.4 | | | 3.3 | 9.9 | 0.75 | 0.80 | ILO |
| Dominican Republic | 2003 | 6.1 | 16.3 | | | 4.6 | 13.0 | 0.75 | 0.80 | ILO |
| Dominican Republic | 2005 | 5.0 | 15.1 | | | 3.7 | 11.9 | 0.74 | 0.79 | ILO |
| Dominican Republic | 2006 | 4.0 | 13.5 | | | 2.9 | 10.7 | 0.73 | 0.79 | ILO |
| Dominican Republic | 2007 | 4.3 | 13.6 | | | 3.1 | 10.7 | 0.72 | 0.79 | ILO |
| East Timor | 2001 | 52.9 | 77.5 | 117.3 | 182.5 | 47.0 | 73.1 | 0.89 | 0.94 | HS |
| East Timor | 2007 | 37.4 | 72.8 | | | 32.6 | 68.2 | 0.87 | 0.94 | ILO |
| Ecuador | 1994 | 15.9 | 28.1 | 683.7 | 1 231.4 | 14.2 | 25.5 | 0.89 | 0.91 | LSS |
| Ecuador | 1998 | 14.5 | 27.7 | | | 12.9 | 25.3 | 0.89 | 0.91 | ILO |
| Ecuador | 2003 | 11.5 | 23.9 | | | 10.1 | 21.7 | 0.88 | 0.91 | ILO |
| Ecuador | 2005 | 9.8 | 20.4 | | | 8.6 | 18.4 | 0.88 | 0.90 | ILO |
| Ecuador | 2007 | 4.7 | 12.8 | | | 4.1 | 11.5 | 0.87 | 0.90 | ILO |
| Ecuador | 2009 | 4.4 | 13.5 | | | 3.8 | 12.1 | 0.86 | 0.90 | ILO |
| Egypt | 1991 | 4.5 | 27.6 | | | 3.1 | 21.5 | 0.69 | 0.78 | ILO |
| Egypt | 1996 | 2.5 | 26.3 | | | 1.7 | 20.5 | 0.68 | 0.78 | ILO |
| Egypt | 2000 | 1.8 | 19.3 | | | 1.2 | 15.1 | 0.67 | 0.78 | ILO |
| Egypt | 2005 | 2.0 | 18.4 | | | 1.3 | 14.4 | 0.65 | 0.78 | ILO |
| El Salvador | 1995 | 13.2 | 25.4 | | | 10.3 | 20.6 | 0.78 | 0.81 | ILO |
| El Salvador | 1996 | 15.0 | 27.8 | | | 11.6 | 22.4 | 0.77 | 0.81 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| El Salvador | 1997 | 13.1 | 25.8 | | | 10.1 | 20.7 | 0.77 | 0.80 | ILO |
| El Salvador | 1998 | 13.5 | 25.4 | | | 10.4 | 20.5 | 0.77 | 0.81 | ILO |
| El Salvador | 2000 | 12.6 | 22.0 | | | 9.7 | 17.6 | 0.77 | 0.80 | ILO |
| El Salvador | 2002 | 13.9 | 23.4 | | | 10.6 | 18.7 | 0.76 | 0.80 | ILO |
| El Salvador | 2003 | 14.7 | 25.2 | | | 11.2 | 20.2 | 0.76 | 0.80 | ILO |
| El Salvador | 2005 | 11.2 | 20.5 | | | 8.4 | 16.3 | 0.75 | 0.80 | ILO |
| El Salvador | 2008 | 5.1 | 15.2 | | | 3.8 | 12.1 | 0.75 | 0.80 | ILO |
| Equatorial Guinea | 2005 | | | | | 3.4 | 14.0 | | | ILO |
| Eritrea | 2005 | | | | | 35.3 | 73.1 | | | ILO |
| Ethiopia | 1995 | 60.5 | 84.6 | | | 55.1 | 81.3 | 0.91 | 0.96 | ILO |
| Ethiopia | 1999 | 55.6 | 86.4 | 10 105.5 | 16 580.5 | 50.9 | 83.5 | 0.92 | 0.97 | IES |
| Ethiopia | 2004 | 39.0 | 77.5 | 8 706.7 | 18 233.0 | 34.9 | 73.1 | 0.89 | 0.94 | IES |
| Fiji | 2005 | | | | | 18.5 | 49.7 | | | ILO |
| Gabon | 2005 | 4.8 | 19.6 | 12.7 | 50.5 | 3.6 | 14.2 | 0.75 | 0.72 | CWIQ |
| Gambia | 1998 | 66.7 | 82.0 | | | 63.5 | 79.4 | 0.95 | 0.97 | ILO |
| Gambia | 2003 | 34.3 | 56.7 | | | 32.4 | 54.5 | 0.94 | 0.96 | ILO |
| Georgia | 2002 | 15.7 | 33.9 | | | 11.4 | 28.9 | 0.73 | 0.85 | ILO |
| Georgia | 2003 | 17.7 | 36.7 | | | 12.7 | 30.9 | 0.72 | 0.84 | ILO |
| Georgia | 2005 | 14.1 | 30.2 | | | 10.0 | 25.3 | 0.71 | 0.84 | ILO |
| Georgia | 2008 | 15.3 | 32.2 | | | 10.7 | 26.8 | 0.70 | 0.83 | ILO |
| Ghana | 1992 | 51.1 | 77.6 | | | 46.0 | 72.5 | 0.90 | 0.93 | ILO |
| Ghana | 1998 | 39.1 | 63.3 | 2 178.3 | 3 675.7 | 34.6 | 58.3 | 0.88 | 0.92 | LSS |
| Ghana | 2006 | 30.0 | 53.6 | | | 25.8 | 48.3 | 0.86 | 0.90 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Guatemala | 1998 | 16.4 | 30.3 | | | 12.0 | 23.7 | 0.73 | 0.78 | ILO |
| Guatemala | 2000 | 13.8 | 27.5 | 412.7 | 876.9 | 10.1 | 21.5 | 0.73 | 0.78 | LSS |
| Guatemala | 2002 | 16.9 | 29.8 | | | 12.3 | 23.2 | 0.73 | 0.78 | ILO |
| Guinea | 1991 | 92.6 | 98.4 | | | 96.6 | 98.4 | 1.04 | 1.00 | ILO |
| Guinea | 2003 | 70.1 | 87.2 | 2 216.6 | 2 711.1 | 72.2 | 88.3 | 1.03 | 1.01 | HS |
| Guinea | 2007 | 43.3 | 69.6 | | | 44.4 | 70.2 | 1.03 | 1.01 | ILO |
| Guinea-Bissau | 1993 | 52.1 | 75.7 | | | 48.9 | 73.4 | 0.94 | 0.97 | ILO |
| Guinea-Bissau | 2002 | 48.8 | 77.9 | | | 46.2 | 76.6 | 0.95 | 0.98 | ILO |
| Guyana | 1993 | 6.9 | 17.1 | | | 5.6 | 14.8 | 0.81 | 0.87 | ILO |
| Guyana | 1998 | 8.7 | 18.0 | | | 7.0 | 15.4 | 0.80 | 0.86 | ILO |
| Haiti | 2001 | 54.9 | 72.1 | | | 48.5 | 66.5 | 0.88 | 0.92 | ILO |
| Honduras | 1992 | 33.3 | 50.8 | | | 28.5 | 44.1 | 0.86 | 0.87 | ILO |
| Honduras | 1994 | 28.3 | 45.4 | | | 24.1 | 39.4 | 0.85 | 0.87 | ILO |
| Honduras | 1997 | 16.0 | 29.4 | | | 13.6 | 25.5 | 0.85 | 0.87 | ILO |
| Honduras | 1999 | 14.4 | 26.8 | | | 12.2 | 23.3 | 0.85 | 0.87 | ILO |
| Honduras | 2003 | 18.1 | 33.4 | | | 14.8 | 28.3 | 0.82 | 0.85 | ILO |
| Honduras | 2005 | 22.2 | 34.8 | | | 18.0 | 29.2 | 0.81 | 0.84 | ILO |
| Honduras | 2007 | 23.3 | 35.4 | | | 18.6 | 29.6 | 0.80 | 0.84 | ILO |
| India | 1994 | 49.4 | 81.7 | | | 49.1 | 83.9 | 0.99 | 1.03 | ILO |
| India | 2005 | 41.6 | 75.6 | 142 467.7 | 270 578.8 | 39.2 | 74.5 | 0.94 | 0.99 | HS |
| Indonesia | 1993 | 54.4 | 84.6 | | | 52.6 | 83.8 | 0.97 | 0.99 | ILO |
| Indonesia | 1996 | 43.4 | 77.0 | | | 41.1 | 75.1 | 0.95 | 0.98 | ILO |
| Indonesia | 1999 | 47.7 | 81.5 | | | 45.0 | 79.8 | 0.94 | 0.98 | ILO |
| Indonesia | 2002 | 29.3 | 66.9 | 24 922.9 | 59 352.4 | 27.4 | 65.2 | 0.94 | 0.97 | SES |
| Indonesia | 2005 | 21.4 | 53.8 | | | 19.8 | 52.0 | 0.93 | 0.97 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Iran | 1994 | 1.4 | 8.2 | | | 0.9 | 5.7 | 0.64 | 0.70 | ILO |
| Iran | 1998 | 1.3 | 8.3 | | | 0.8 | 6.0 | 0.62 | 0.72 | ILO |
| Iran | 2005 | 1.5 | 8.0 | | | 0.9 | 6.2 | 0.60 | 0.77 | ILO |
| Iraq | 2007 | 4.0 | 25.3 | | | 2.2 | 16.6 | 0.55 | 0.66 | ILO |
| Jamaica | 1993 | 3.8 | 14.4 | | | 2.9 | 11.5 | 0.76 | 0.80 | ILO |
| Jamaica | 1996 | 1.7 | 8.6 | | | 1.3 | 6.9 | 0.76 | 0.80 | ILO |
| Jamaica | 1999 | 1.3 | 6.2 | | | 0.9 | 4.9 | 0.69 | 0.79 | ILO |
| Jamaica | 2002 | 0.4 | 8.7 | | | 0.0 | 6.9 | 0.00 | 0.79 | ILO |
| Jamaica | 2004 | 0.2 | 5.8 | | | 0.0 | 4.6 | 0.00 | 0.79 | ILO |
| Jordan | 1992 | 2.8 | 14.9 | | | 2.2 | 10.7 | 0.79 | 0.72 | ILO |
| Jordan | 1997 | 1.5 | 11.5 | | | 1.4 | 9.4 | 0.93 | 0.82 | ILO |
| Jordan | 2003 | 1.2 | 11.0 | 10.1 | 87.4 | 1.0 | 9.0 | 0.83 | 0.82 | IES |
| Jordan | 2006 | 0.4 | 3.5 | | | 0.0 | 2.8 | 0.00 | 0.80 | ILO |
| Kazakhstan | 1993 | 4.2 | 17.6 | | | 2.7 | 13.2 | 0.64 | 0.75 | ILO |
| Kazakhstan | 1996 | 5.0 | 18.7 | | | 3.2 | 14.2 | 0.64 | 0.76 | ILO |
| Kazakhstan | 2002 | 5.2 | 21.5 | | | 3.2 | 15.9 | 0.62 | 0.74 | ILO |
| Kazakhstan | 2003 | 3.1 | 17.2 | 117.1 | 770.4 | 1.9 | 12.6 | 0.61 | 0.73 | HS |
| Kazakhstan | 2007 | 0.2 | 1.5 | | | 0.0 | 1.1 | 0.00 | 0.73 | ILO |
| Kenya | 1992 | 38.4 | 59.3 | | | 31.5 | 51.3 | 0.82 | 0.87 | ILO |
| Kenya | 1994 | 28.5 | 53.6 | | | 23.2 | 46.2 | 0.81 | 0.86 | ILO |
| Kenya | 1997 | 19.6 | 42.7 | | | 15.7 | 36.5 | 0.80 | 0.85 | ILO |
| Kenya | 2005 | 19.7 | 39.9 | 1 948.1 | 4 242.9 | 15.4 | 33.6 | 0.78 | 0.84 | IES |
| Kyrgyzstan | 1993 | 18.6 | 30.1 | | | 14.8 | 26.5 | 0.80 | 0.88 | ILO |
| Kyrgyzstan | 1998 | 31.8 | 60.7 | | | 25.4 | 54.1 | 0.80 | 0.89 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Kyrgyzstan | 2002 | 34.0 | 66.6 | | | 26.5 | 58.8 | 0.78 | 0.88 | ILO |
| Kyrgyzstan | 2004 | 21.8 | 51.9 | | | 16.9 | 45.4 | 0.78 | 0.87 | ILO |
| Kyrgyzstan | 2007 | 1.9 | 29.4 | | | 1.5 | 25.5 | 0.79 | 0.87 | ILO |
| Lao PDR | 1992 | 55.7 | 84.8 | | | 57.1 | 89.1 | 1.03 | 1.05 | ILO |
| Lao PDR | 1997 | 49.3 | 79.9 | | | 49.9 | 82.8 | 1.01 | 1.04 | ILO |
| Lao PDR | 2002 | 44.0 | 76.8 | | | 43.2 | 77.9 | 0.98 | 1.01 | ILO |
| Lao PDR | 2008 | 33.9 | 66.0 | | | 31.5 | 64.0 | 0.93 | 0.97 | ILO |
| Lesotho | 1993 | 56.4 | 70.9 | | | 42.6 | 56.6 | 0.76 | 0.80 | ILO |
| Lesotho | 1994 | 46.2 | 59.7 | | | 35.4 | 48.5 | 0.77 | 0.81 | ILO |
| Lesotho | 2003 | 43.4 | 62.2 | 154.6 | 236.5 | 33.5 | 51.2 | 0.77 | 0.82 | IES |
| Liberia | 2007 | 83.7 | 94.8 | 907.1 | 1 022.3 | 83.8 | 94.4 | 1.00 | 1.00 | CWIQ |
| Macedonia, FYROM | 1998 | 0.0 | 3.9 | | | 0.0 | 3.1 | | 0.79 | ILO |
| Macedonia, FYROM | 2000 | 4.3 | 11.5 | | | 2.7 | 9.2 | 0.63 | 0.80 | ILO |
| Macedonia, FYROM | 2002 | 0.6 | 3.1 | | | 0.0 | 2.5 | 0.00 | 0.81 | ILO |
| Macedonia, FYROM | 2003 | 0.5 | 3.2 | | | 0.0 | 2.6 | 0.00 | 0.81 | ILO |
| Macedonia, FYROM | 2008 | 0.3 | 4.3 | | | 0.0 | 3.4 | 0.00 | 0.79 | ILO |
| Madagascar | 1993 | 72.5 | 88.4 | | | 68.2 | 86.6 | 0.94 | 0.98 | ILO |
| Madagascar | 1997 | 72.0 | 89.4 | | | 68.2 | 88.1 | 0.95 | 0.99 | ILO |
| Madagascar | 1999 | 82.3 | 93.1 | | | 78.2 | 91.9 | 0.95 | 0.99 | ILO |
| Madagascar | 2001 | 76.3 | 88.7 | | | 72.3 | 87.3 | 0.95 | 0.98 | ILO |
| Madagascar | 2005 | 67.8 | 89.6 | 5 525.7 | 7 598.8 | 64.1 | 88.1 | 0.95 | 0.98 | HS |
| Malawi | 1998 | 83.1 | 93.5 | | | 78.4 | 91.2 | 0.94 | 0.98 | ILO |
| Malawi | 2004 | 73.9 | 90.4 | 3 990.1 | 5 038.7 | 70.7 | 89.3 | 0.96 | 0.99 | HS |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Malaysia | 1992 | 1.6 | 11.2 | | | 1.4 | 10.0 | 0.87 | 0.89 | ILO |
| Malaysia | 1995 | 2.1 | 11.0 | | | 1.7 | 9.6 | 0.81 | 0.87 | ILO |
| Malaysia | 1997 | 0.5 | 6.8 | | | 0.0 | 6.0 | 0.00 | 0.88 | ILO |
| Malaysia | 2004 | 0.5 | 7.8 | | | 0.0 | 6.7 | 0.00 | 0.86 | ILO |
| Malaysia | 2009 | 0.0 | 2.3 | | | 0.0 | 1.9 | | 0.83 | ILO |
| Maldives | 1998 | 28.2 | 40.6 | | | 26.1 | 37.5 | 0.93 | 0.92 | ILO |
| Maldives | 2004 | 1.5 | 12.2 | | | 1.3 | 11.2 | 0.87 | 0.92 | ILO |
| Mali | 1994 | 86.1 | 93.9 | | | 88.9 | 98.3 | 1.03 | 1.05 | ILO |
| Mali | 2001 | 61.2 | 82.0 | | | 61.6 | 83.6 | 1.01 | 1.02 | ILO |
| Mali | 2006 | 51.4 | 77.1 | 2 313.4 | 3 504.0 | 51.3 | 77.7 | 1.00 | 1.01 | HS |
| Mauritania | 1993 | 42.8 | 68.6 | | | 35.3 | 58.0 | 0.82 | 0.85 | ILO |
| Mauritania | 1996 | 23.4 | 48.3 | | | 19.2 | 40.8 | 0.82 | 0.84 | ILO |
| Mauritania | 2000 | 21.2 | 44.1 | | | 17.4 | 37.7 | 0.82 | 0.85 | ILO |
| Mexico | 1992 | 4.5 | 14.6 | | | 3.3 | 11.1 | 0.73 | 0.76 | ILO |
| Mexico | 1994 | 3.3 | 13.5 | | | 2.4 | 10.2 | 0.73 | 0.76 | ILO |
| Mexico | 1995 | 7.7 | 17.8 | | | 5.6 | 13.5 | 0.73 | 0.76 | ILO |
| Mexico | 1996 | 7.0 | 18.6 | | | 5.1 | 14.2 | 0.73 | 0.76 | ILO |
| Mexico | 1998 | 8.0 | 19.1 | | | 5.8 | 14.6 | 0.73 | 0.76 | ILO |
| Mexico | 2000 | 4.8 | 13.7 | | | 3.5 | 10.4 | 0.73 | 0.76 | ILO |
| Mexico | 2002 | 3.7 | 13.1 | | | 2.7 | 10.0 | 0.73 | 0.76 | ILO |
| Mexico | 2004 | 2.4 | 11.0 | 727.8 | 3 534.8 | 1.7 | 8.4 | 0.71 | 0.76 | IES |
| Mexico | 2006 | 0.7 | 4.8 | | | 0.0 | 3.6 | 0.00 | 0.75 | ILO |
| Mexico | 2008 | 1.8 | 8.6 | | | 1.3 | 6.5 | 0.72 | 0.76 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Moldova | 1992 | 17.0 | 39.1 | | | 12.6 | 33.2 | 0.74 | 0.85 | ILO |
| Moldova | 1997 | 15.1 | 36.8 | | | 11.4 | 32.1 | 0.75 | 0.87 | ILO |
| Moldova | 1999 | 44.2 | 73.4 | | | 33.5 | 64.8 | 0.76 | 0.88 | ILO |
| Moldova | 2001 | 33.0 | 62.9 | | | 24.8 | 55.3 | 0.75 | 0.88 | ILO |
| Moldova | 2002 | 17.1 | 40.3 | | | 12.7 | 35.3 | 0.74 | 0.88 | ILO |
| Moldova | 2004 | 8.1 | 28.9 | | | 6.0 | 25.5 | 0.74 | 0.88 | ILO |
| Moldova | 2008 | 1.9 | 12.5 | | | 1.3 | 10.9 | 0.68 | 0.87 | ILO |
| Mongolia | 1995 | 18.8 | 43.5 | | | 14.3 | 36.7 | 0.76 | 0.84 | ILO |
| Mongolia | 2002 | 15.5 | 38.8 | 99.6 | 282.9 | 11.3 | 32.0 | 0.73 | 0.82 | LSS |
| Morocco | 1998 | 6.8 | 24.4 | 489.4 | 2 005.1 | 5.5 | 22.7 | 0.81 | 0.93 | IES |
| Morocco | 2001 | 6.3 | 24.3 | | | 5.0 | 22.6 | 0.79 | 0.93 | ILO |
| Morocco | 2007 | 2.5 | 14.0 | | | 2.0 | 13.0 | 0.80 | 0.93 | ILO |
| Mozambique | 1997 | 81.3 | 92.9 | | | 80.9 | 94.5 | 1.00 | 1.02 | ILO |
| Mozambique | 2003 | 74.7 | 90.0 | 5 851.4 | 7 193.1 | 73.6 | 90.4 | 0.99 | 1.00 | IES |
| Mozambique | 2008 | 59.6 | 81.8 | | | 58.0 | 81.1 | 0.97 | 0.99 | ILO |
| Namibia | 1993 | 49.1 | 62.2 | | | 36.4 | 47.4 | 0.74 | 0.76 | ILO |
| Nepal | 1996 | 68.4 | 88.1 | | | 63.9 | 85.7 | 0.93 | 0.97 | ILO |
| Nepal | 2003 | 55.1 | 77.6 | 6 390.0 | 9 401.0 | 50.4 | 74.1 | 0.91 | 0.95 | LSS |
| Nicaragua | 1993 | 32.5 | 49.2 | | | 27.3 | 42.9 | 0.84 | 0.87 | ILO |
| Nicaragua | 1998 | 22.3 | 38.5 | 289.5 | 526.3 | 18.1 | 32.8 | 0.81 | 0.85 | LSS |
| Nicaragua | 2001 | 19.4 | 37.5 | 290.1 | 592.2 | 15.8 | 32.2 | 0.81 | 0.86 | LSS |
| Nicaragua | 2005 | 15.8 | 31.8 | 254.6 | 546.6 | 12.8 | 27.4 | 0.81 | 0.86 | LSS |
| Niger | 1993 | 72.8 | 91.1 | | | 66.9 | 87.3 | 0.92 | 0.96 | ILO |
| Niger | 1994 | 78.2 | 91.5 | | | 71.9 | 87.8 | 0.92 | 0.96 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Niger | 2005 | 65.9 | 85.6 | 2 078.3 | 2 806.8 | 61.7 | 83.3 | 0.94 | 0.97 | CWIQ |
| Niger | 2007 | 43.1 | 75.9 | | | 40.3 | 73.7 | 0.94 | 0.97 | ILO |
| Nigeria | 1992 | 49.2 | 69.7 | | | 45.2 | 66.4 | 0.92 | 0.95 | ILO |
| Nigeria | 1996 | 68.5 | 86.4 | | | 62.8 | 82.5 | 0.92 | 0.95 | ILO |
| Nigeria | 2004 | 64.4 | 83.9 | 24 358.3 | 33 135.1 | 58.2 | 79.2 | 0.90 | 0.94 | LSS |
| Pakistan | 1991 | 64.7 | 88.2 | | | 57.4 | 83.6 | 0.89 | 0.95 | ILO |
| Pakistan | 1997 | 48.1 | 83.2 | | | 42.3 | 78.4 | 0.88 | 0.94 | ILO |
| Pakistan | 2002 | 35.9 | 73.9 | | | 31.1 | 69.6 | 0.87 | 0.94 | ILO |
| Pakistan | 2005 | 22.6 | 60.3 | 6 821.6 | 19 964.3 | 19.3 | 56.5 | 0.85 | 0.94 | LSS |
| Pakistan | 2006 | 22.6 | 60.9 | | | 19.2 | 57.0 | 0.85 | 0.94 | ILO |
| Panama | 1991 | 16.9 | 26.8 | | | 11.1 | 19.3 | 0.66 | 0.72 | ILO |
| Panama | 1995 | 11.5 | 19.7 | | | 7.6 | 14.4 | 0.66 | 0.73 | ILO |
| Panama | 1996 | 12.4 | 21.2 | | | 8.2 | 15.4 | 0.66 | 0.73 | ILO |
| Panama | 1997 | 7.2 | 15.2 | 48.5 | 112.9 | 4.8 | 11.1 | 0.67 | 0.73 | LSS |
| Panama | 2000 | 11.5 | 20.0 | | | 7.6 | 14.5 | 0.66 | 0.73 | ILO |
| Panama | 2001 | 13.8 | 22.7 | | | 9.1 | 16.5 | 0.66 | 0.73 | ILO |
| Panama | 2002 | 10.8 | 20.0 | | | 7.1 | 14.6 | 0.66 | 0.73 | ILO |
| Panama | 2004 | 9.2 | 18.0 | | | 6.0 | 13.1 | 0.65 | 0.73 | ILO |
| Panama | 2006 | 9.5 | 17.8 | | | 6.2 | 12.9 | 0.65 | 0.72 | ILO |
| Panama | 2009 | 2.4 | 9.5 | | | 1.5 | 6.8 | 0.63 | 0.72 | ILO |
| Papua New Guinea | 1996 | 35.6 | 57.4 | | | 34.0 | 56.3 | 0.96 | 0.98 | ILO |
| Paraguay | 1995 | 12.7 | 21.8 | | | 10.3 | 18.3 | 0.81 | 0.84 | ILO |
| Paraguay | 1998 | 19.6 | 30.2 | | | 15.8 | 25.3 | 0.81 | 0.84 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Paraguay | 1999 | 14.3 | 23.6 | | | 11.5 | 19.7 | 0.80 | 0.83 | ILO |
| Paraguay | 2002 | 17.1 | 27.9 | | | 13.7 | 23.3 | 0.80 | 0.84 | ILO |
| Paraguay | 2005 | 9.0 | 18.5 | | | 7.2 | 15.5 | 0.80 | 0.84 | ILO |
| Paraguay | 2007 | 6.8 | 15.2 | | | 5.4 | 12.7 | 0.79 | 0.84 | ILO |
| Paraguay | 2008 | 5.1 | 13.2 | | | 4.0 | 11.0 | 0.78 | 0.83 | ILO |
| Peru | 2001 | 15.1 | 27.9 | | | 13.3 | 26.2 | 0.88 | 0.94 | ILO |
| Peru | 2002 | 12.6 | 24.4 | | | 11.1 | 22.9 | 0.88 | 0.94 | ILO |
| Peru | 2003 | | | 824.6 | 2 088.1 | 6.4 | 16.1 | | | HS |
| Peru | 2005 | 8.2 | 19.4 | | | 7.1 | 18.1 | 0.87 | 0.93 | ILO |
| Peru | 2006 | 7.9 | 18.5 | | | 6.9 | 17.2 | 0.87 | 0.93 | ILO |
| Peru | 2009 | 5.9 | 14.7 | | | 5.1 | 13.5 | 0.86 | 0.92 | ILO |
| Philippines | 1991 | 30.7 | 55.4 | | | 26.8 | 51.7 | 0.87 | 0.93 | ILO |
| Philippines | 1994 | 28.1 | 52.6 | | | 24.5 | 49.0 | 0.87 | 0.93 | ILO |
| Philippines | 1997 | 21.6 | 43.8 | | | 18.6 | 40.5 | 0.86 | 0.92 | ILO |
| Philippines | 2000 | 22.5 | 44.8 | | | 19.2 | 41.3 | 0.85 | 0.92 | ILO |
| Philippines | 2003 | 22.0 | 43.8 | 5 529.4 | 11 864.2 | 18.7 | 40.1 | 0.85 | 0.92 | LFS/ IES |
| Philippines | 2006 | 22.6 | 45.0 | | | 19.0 | 40.9 | 0.84 | 0.91 | ILO |
| Russian Federation | 1993 | 1.5 | 8.3 | | | 1.0 | 6.5 | 0.67 | 0.78 | ILO |
| Rwanda | 2000 | 76.6 | 90.3 | | | 75.5 | 90.9 | 0.99 | 1.01 | ILO |
| Rwanda | 2005 | 76.8 | 89.6 | | | 72.8 | 87.4 | 0.95 | 0.98 | ILO |
| Senegal | 1991 | 65.8 | 81.5 | | | 69.4 | 84.0 | 1.05 | 1.03 | ILO |
| Senegal | 1994 | 54.1 | 79.4 | | | 56.9 | 81.8 | 1.05 | 1.03 | ILO |
| Senegal | 2001 | 44.2 | 71.3 | 1 282.9 | 2 035.6 | 45.8 | 72.7 | 1.04 | 1.02 | HS |
| Senegal | 2005 | 33.5 | 60.3 | | | 34.4 | 61.1 | 1.03 | 1.01 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sierra Leone | 2003 | 53.4 | 76.1 | 952.5 | 1 375.0 | 54.1 | 78.2 | 1.01 | 1.03 | HS |
| South Africa | 1993 | 24.3 | 41.1 | | | 11.3 | 21.2 | 0.47 | 0.52 | ILO |
| South Africa | 1995 | 21.4 | 39.9 | | | 10.6 | 21.8 | 0.50 | 0.55 | ILO |
| South Africa | 2000 | 26.2 | 42.9 | 1 492.8 | 2 772.9 | 12.5 | 23.2 | 0.48 | 0.54 | IES |
| South Africa | 2006 | 17.4 | 35.7 | | | 8.3 | 19.7 | 0.48 | 0.55 | ILO |
| Sri Lanka | 1991 | 15.0 | 49.5 | | | 13.2 | 46.5 | 0.88 | 0.94 | ILO |
| Sri Lanka | 1996 | 16.3 | 46.7 | | | 14.0 | 43.2 | 0.86 | 0.93 | ILO |
| Sri Lanka | 2002 | 14.0 | 39.7 | 716.1 | 2 221.3 | 11.7 | 36.2 | 0.84 | 0.91 | IES |
| Sri Lanka | 2007 | 7.0 | 29.1 | | | 5.8 | 26.0 | 0.83 | 0.89 | ILO |
| Suriname | 1999 | 15.5 | 27.2 | | | 11.2 | 21.5 | 0.72 | 0.79 | ILO |
| Swaziland | 1995 | 78.6 | 89.3 | | | 64.9 | 73.6 | 0.83 | 0.82 | ILO |
| Swaziland | 2001 | 62.9 | 81.0 | | | 50.6 | 66.2 | 0.80 | 0.82 | ILO |
| Syrian Arab Republic | 2004 | 1.7 | 16.8 | | | 1.1 | 12.9 | 0.65 | 0.77 | ILO |
| Tajikistan | 1999 | 44.0 | 78.5 | | | 39.6 | 74.8 | 0.90 | 0.95 | ILO |
| Tajikistan | 2003 | 36.3 | 68.8 | 685.8 | 1 363.3 | 33.0 | 65.5 | 0.91 | 0.95 | LSS |
| Tajikistan | 2004 | 21.5 | 50.8 | | | 19.5 | 48.3 | 0.91 | 0.95 | ILO |
| Tanzania, United Republic of | 1992 | 72.6 | 91.3 | | | 70.0 | 89.7 | 0.96 | 0.98 | ILO |
| Tanzania, United Republic of | 2000 | 88.5 | 96.6 | | | 84.4 | 94.1 | 0.95 | 0.97 | ILO |
| Tanzania, United Republic of | 2007 | 67.9 | 87.9 | | | 64.0 | 84.7 | 0.94 | 0.96 | ILO |
| Thailand | 1992 | 5.5 | 25.5 | | | 4.4 | 23.2 | 0.80 | 0.91 | ILO |
| Thailand | 1996 | 1.9 | 17.4 | | | 1.5 | 15.5 | 0.79 | 0.89 | ILO |
| Thailand | 1998 | 0.0 | 16.6 | | | 0.0 | 14.9 | | 0.90 | ILO |
| Thailand | 1999 | 1.5 | 20.0 | | | 1.2 | 17.8 | 0.80 | 0.89 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 2000 | 1.4 | 20.6 | | | 1.1 | 18.3 | 0.79 | 0.89 | ILO |
| Thailand | 2002 | 0.7 | 15.1 | 168.3 | 4 196.8 | 0.5 | 13.3 | 0.71 | 0.88 | SES |
| Thailand | 2004 | 0.4 | 11.5 | | | 0.0 | 10.1 | 0.00 | 0.88 | ILO |
| Togo | 2006 | 38.7 | 69.3 | 860.6 | 1 605.5 | 35.8 | 66.7 | 0.93 | 0.96 | HS |
| Trinidad and Tobago | 1992 | 4.2 | 13.5 | | | 2.8 | 9.8 | 0.67 | 0.73 | ILO |
| Tunisia | 1995 | 6.5 | 20.4 | | | 4.2 | 15.6 | 0.65 | 0.76 | ILO |
| Tunisia | 2000 | 2.6 | 12.8 | | | 1.6 | 9.9 | 0.62 | 0.77 | ILO |
| Turkey | 1994 | 2.1 | 9.8 | | | 1.2 | 7.2 | 0.57 | 0.73 | ILO |
| Turkey | 2002 | 2.0 | 9.6 | 243.8 | 1 605.1 | 1.0 | 6.9 | 0.50 | 0.72 | IES |
| Turkey | 2004 | 3.5 | 12.2 | | | 1.8 | 8.6 | 0.51 | 0.70 | ILO |
| Turkey | 2005 | 2.7 | 9.0 | | | 1.4 | 6.4 | 0.52 | 0.71 | ILO |
| Turkmenistan | 1993 | 63.5 | 85.7 | | | 47.9 | 71.5 | 0.75 | 0.83 | ILO |
| Turkmenistan | 1998 | 24.8 | 49.6 | | | 19.0 | 42.9 | 0.77 | 0.86 | ILO |
| Uganda | 1992 | 70.0 | 88.6 | | | 66.0 | 87.9 | 0.94 | 0.99 | ILO |
| Uganda | 1996 | 64.4 | 85.9 | | | 60.4 | 84.5 | 0.94 | 0.98 | ILO |
| Uganda | 1999 | 60.5 | 82.7 | | | 56.6 | 81.0 | 0.94 | 0.98 | ILO |
| Uganda | 2002 | 57.4 | 79.8 | | | 53.5 | 77.9 | 0.93 | 0.98 | ILO |
| Uganda | 2005 | 51.5 | 75.6 | 5 320.9 | 8 165.3 | 47.8 | 73.4 | 0.93 | 0.97 | HS |
| Uganda | 2010 | 37.7 | 64.5 | | | 34.5 | 61.7 | 0.92 | 0.96 | ILO |
| Uruguay | 2006 | 0.0 | 4.2 | | | 0.0 | 3.3 | | 0.79 | ILO |
| Viet Nam | 2002 | 35.6 | 6.7 | | | 38.8 | 69.2 | 1.09 | 10.33 | ILO |
| Viet Nam | 2004 | 25.0 | 3.6 | 10 334.5 | 23 600.9 | 22.7 | 51.8 | 0.91 | 14.39 | LSS |
| Viet Nam | 2006 | 20.4 | 3.9 | 9 528.0 | 22 493.0 | 20.2 | 47.7 | 0.99 | 12.23 | LSS |
| Viet Nam | 2008 | 18.7 | 3.3 | | | 12.0 | 37.3 | 0.64 | 11.30 | ILO |

| Country | Year | Poverty rate, 1.25 USD | Poverty rate 2.00 USD | Working poor at the US$1.25 a day level ('000) | Working poor at the US$2 a day level ('000) | Working poor at US$1.25 a day (% of total employment) | Working poor at US$2 a day (% of total employment) | Working poor – poverty ratio, 1.25 USD | Working poor – poverty ratio, 2,00 USD | Type of source (code) |
|---|---|---|---|---|---|---|---|---|---|---|
| Yemen | 1998 | 42.5 | 32.3 | | | 8.1 | 25.0 | 0.19 | 0.77 | ILO |
| Yemen | 2005 | 40.1 | 20.7 | | | 11.2 | 33.5 | 0.28 | 1.62 | ILO |
| Zambia | 1991 | 88.0 | 48.6 | | | 54.7 | 69.1 | 0.62 | 1.42 | ILO |
| Zambia | 1993 | 92.2 | 44.9 | | | 58.3 | 73.7 | 0.63 | 1.64 | ILO |
| Zambia | 1996 | 84.2 | 40.5 | | | 56.5 | 75.2 | 0.67 | 1.86 | ILO |
| Zambia | 1998 | 83.0 | 39.5 | | | 51.2 | 70.4 | 0.62 | 1.78 | ILO |
| Zambia | 2003 | 74.3 | 52.2 | | | 59.2 | 79.6 | 0.80 | 1.52 | ILO |
| Zambia | 2004 | 77.3 | 29.1 | | | 58.9 | 76.1 | 0.76 | 2.62 | ILO |