

▶ **SDG indicator 8.5.1**

Average hourly earnings of female and male employees, by occupation, age and persons with disabilities

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▶ Rationale

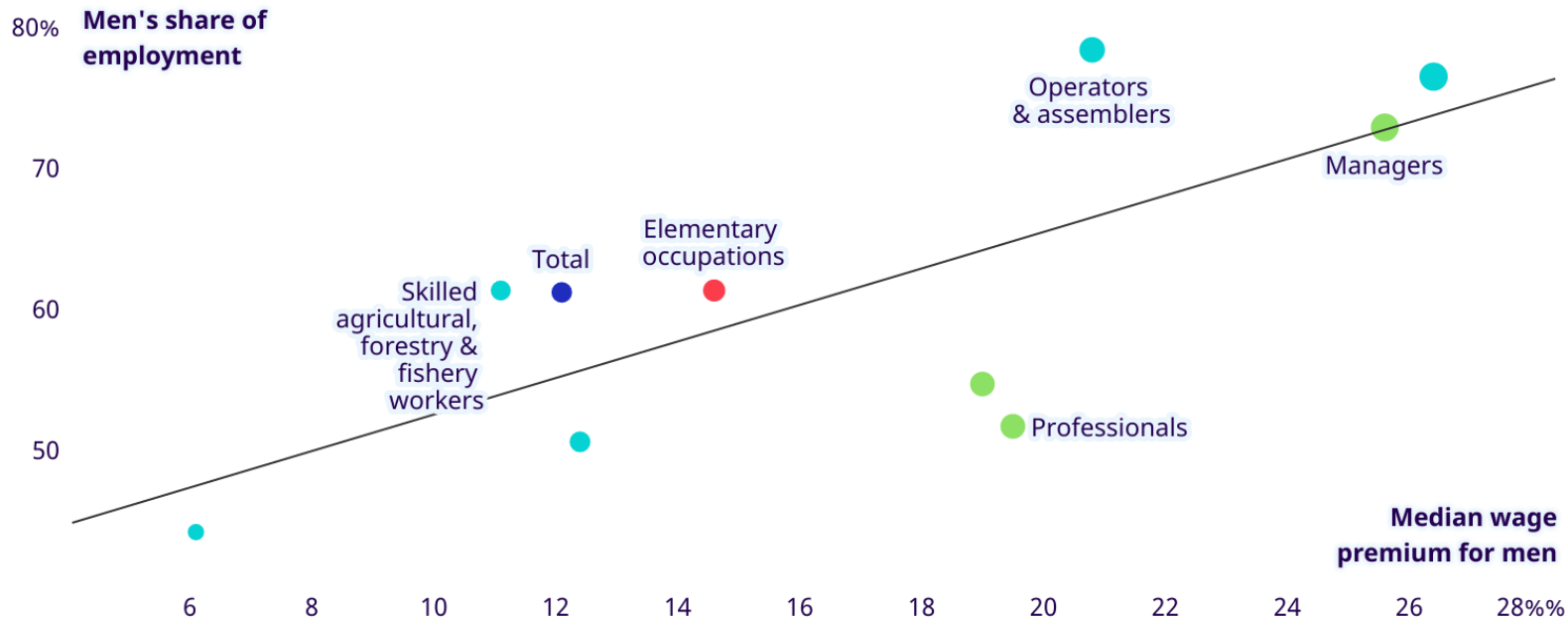
Earnings are a key factor of quality of employment and living conditions

Indication of workers' purchasing power

- ▶ Hourly earnings → information on earnings' adequacy by removing the effect of number of hours worked
- ▶ Disaggregated data on hourly earnings → pay gap (notably, gender pay gap)
- ▶ Earnings in specific occupations useful for targeted policy-making

Male-dominated occupations have higher wage premiums for men

● All skills
 ● Skill level 1 (low)
 ● Skill level 2 (medium)
 ● Skill levels 3 and 4 (high)



Share of employment by occupation are ILO modelled estimates for 2018 and median hourly wage premium for men based on latest available in each country.

Source: ILO modelled estimates, ILOSTAT and author's calculations based on ILOSTAT data

► Definition and concepts for SDG 8.5.1 on earnings

Earnings

Gross remuneration in cash and in kind paid to employees, as a rule at regular intervals, for time worked or work done together with remuneration for time not worked, such as annual vacation, other type of paid leave or holidays.

- Excluding employers' contributions in respect of their employees to social security and pension schemes and also the benefits received by employees under these schemes.
- Excluding severance and termination pay.

Gross (vs. net)

The total before any deductions are made by the employer in respect of taxes, contributions of employees to social security and pension schemes, life insurance premiums, union dues and other obligations of employees.

Hourly

Per hour.

Average (a.k.a. mean)

Arithmetic average of the hourly earnings of all employees.

Nominal (vs. real or constant)

Current, unadjusted for inflation.

Employees (vs. self-employment)

Persons employed holding paid employment jobs (jobs with a basic remuneration not directly dependent on the revenue of the economic unit).

Currency / unit

Expressed in local currency.

Building blocks: Earnings

Vocational training and other labour costs	Allowances	Bonuses paid every pay period	Bonuses paid less frequently
	Basic pay		Irregular bonuses
Social security benefits received from employer			Pay in kind
Social security benefits from Social Security schemes	Employers' social security contributions	Profit-related pay	Pay for time not worked

Calculations

Depends on source of data used and type of information available

$$\begin{aligned} \text{Average hourly earnings} &= \frac{\sum(\text{hourly earnings of each employee} \times \text{hours worked by each employee})}{\text{Total number of hours worked by all employees}} \\ &= \frac{\sum(\text{weekly or monthly or annual earnings by each employee})}{\text{Total number of hours worked by all employees during week or month or year}} \end{aligned}$$

$$\text{Gender (unadjusted) pay gap} = \frac{\text{Average hourly earnings}_{\text{Men}} - \text{Average hourly earnings}_{\text{Women}}}{\text{Average hourly earnings}_{\text{Men}}} \times 100$$

► Desired disaggregations

Gender

Age

At least identify youth (15-24) and adults (25+)

Occupation

Using the latest International Standard Classification of Occupations (ISCO-08) at 1-digit

Disability status

Based on the WHO's International Classification of Functioning, Disability and Health (ICF)

Disability covers impairments, activity limitations and participation restrictions

For measurement purposes, the ICF defines a person with disability as a person who is limited in the kind or amount of activities that he or she can do because of ongoing difficulties due to a long-term physical condition, mental condition or health problem

To the extent possible, simultaneously

▶ Data sources

Establishment surveys

Preferred source given the high accuracy of data (provided directly by employer)

But often limited coverage, e.g.:

- ▶ excluding informality
- ▶ excluding smaller establishments
- ▶ excluding specific sectors

Labour force surveys

Cover all employees regardless of their sector, the establishment they work in, etc.

Methodologies vary from country to country

Data quality dependent on respondents' accuracy

- ▶ Over/under-declare
- ▶ Report gross or net, incl./excl. bonuses and benefits

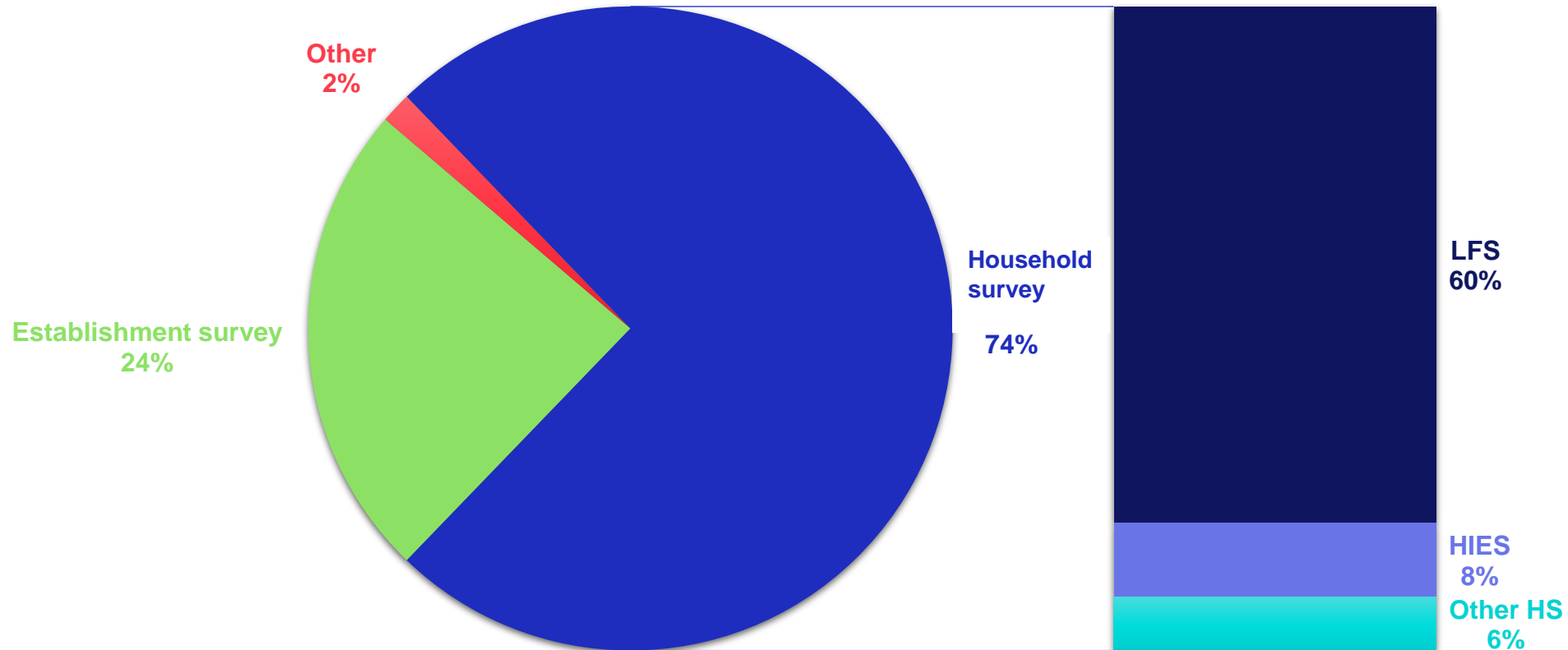
Administrative records

National accounts

Variety of possible sources represents a challenge

Hourly earnings data in ILOSTAT by source type, latest year available

129 countries



▶ Limitations

Comparability issues due to variety of data sources

Sources have differences in methods used, operational criteria used, definitions, reference periods, coverage, etc.

Hourly earnings may refer to hourly pay rate or a calculation of hourly earnings based on monthly earnings and working time, hindering comparability

Other limitations

Household survey data: quality depends on respondents' accuracy

The use of «average» earnings may mask very different realities

Hourly earnings data availability in ESCWA

Country	Source	Latest year	By sex?	By occupation?
Egypt	LFS	2021	✓	✓
Jordan	LFS	2021	✓	✓
Lebanon	LFS	2019	✓	✓
Occupied Palestinian Territory	LFS	2022	✓	✓
Tunisia	LFS	2019	✓	✓
Yemen	LFS	2014	✓	ISCO-88

Lack of hourly earnings data in ESCWA – with microdata

Country	Latest Microdata	Earnings variable
Djibouti	2017	Reported in various ways: 70% reported monthly., daily/weekly seem overestimated
Iraq	2021	Provides a pay range
Mauritania	2019	Monthly earnings and actual hours available → calculation forthcoming
Saudi Arabia	2023 Q2	No. Monthly salary asked but not shared
Somalia	2019	No. Pay asked (per hr/day/week/month) but not shared
Sudan	2011	Monthly earnings, no actual hours (only usual hours)
United Arab Emirates	2022	Provides a range for monthly pay

► Lack of or outdated hourly earnings data in ESCWA – no microdata

Country	Related series reported via Excel questionnaire
Algeria	
Bahrain	Monthly earnings from admin data in 2007 (private sector, 10+ employees)
Kuwait	Monthly earnings from establishment survey in 2016
Libya	
Morocco	
Oman	
Qatar	Monthly earnings from LFS in 2020 (real rather than nominal)
Syrian Arab Republic	Monthly earnings from LFS in 2010

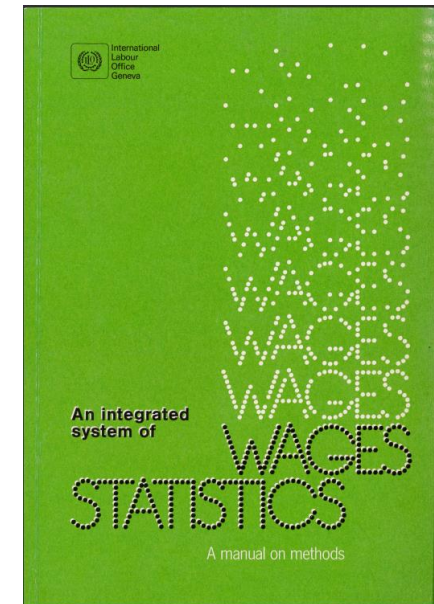
▶ 21st ICLS

Updates on income-related statistics

Vlad Ganta
Senior Statistician, Statistical Standards and Methods Unit

Evolution of standards

- ▶ **1923, 1st ICLS**, Statistics of wages and hours of labour were discussed
- ▶ **1938, Convention concerning Statistics of Wages and Hours of Work (No. 63, outdated instrument)**
- ▶ **1949, 7th ICLS**, Resolution concerning the methods of obtaining statistics of earnings from payroll
- ▶ **1954, 8th ICLS**, Resolution concerning the international comparison of real wages
- ▶ **1962, 10th ICLS**, Resolution concerning statistics of hours of work
- ▶ **1966, 11th ICLS**, Resolution concerning statistics of labour cost
- ▶ **1973, 12th ICLS**, Resolution concerning an integrated system of wages statistics
- ▶ **1979, An integrated system of wages statistics. A manual on methods, ILO**
- ▶ **1985, Labour Statistics Convention (No. 160)**
- ▶ **1998, 16th ICLS**, Resolution concerning the measurement of employment-related income
- ▶ **2003, 17th ICLS**, Resolution concerning household income and expenditure statistics



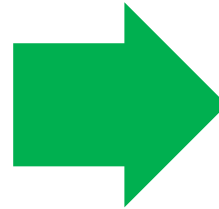
▶ Need for revision (I)

The ways in which people work and receive remuneration have evolved significantly

Need for revision (II)

18th ICLS, 2008

Resolution concerning the measurement of working time

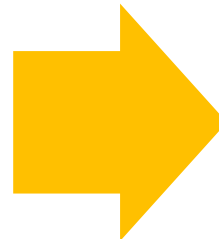


10th ICLS, 1962

Resolution concerning statistics of hours of work

19th ICLS, 2013

Resolution concerning statistics of work, employment and labour underutilization

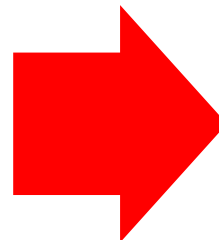


13th ICLS, 1982

Resolution concerning statistics of the economically active population, employment, unemployment and underemployment

20th ICLS, 2018

Resolution concerning statistics on work relationships



15th ICLS, 1993

Resolution concerning the International Classification of Status in Employment (ICSE)

Changes to ICSE-18 are significant

20th ICLS, ICSE-18

- employment for pay
- employment for profit



15th ICLS, ICSE-93

- paid employment
- self-employment

ICSE is essential for the concepts of employment-related income

Owner-operators of corporations

ICSE-18: employment for pay
ICSE-93: self-employment

► Amendments to the 16th ICLS resolution

Reference to most recent standards

Add details to make text clearer, to avoid ambiguity

Update language

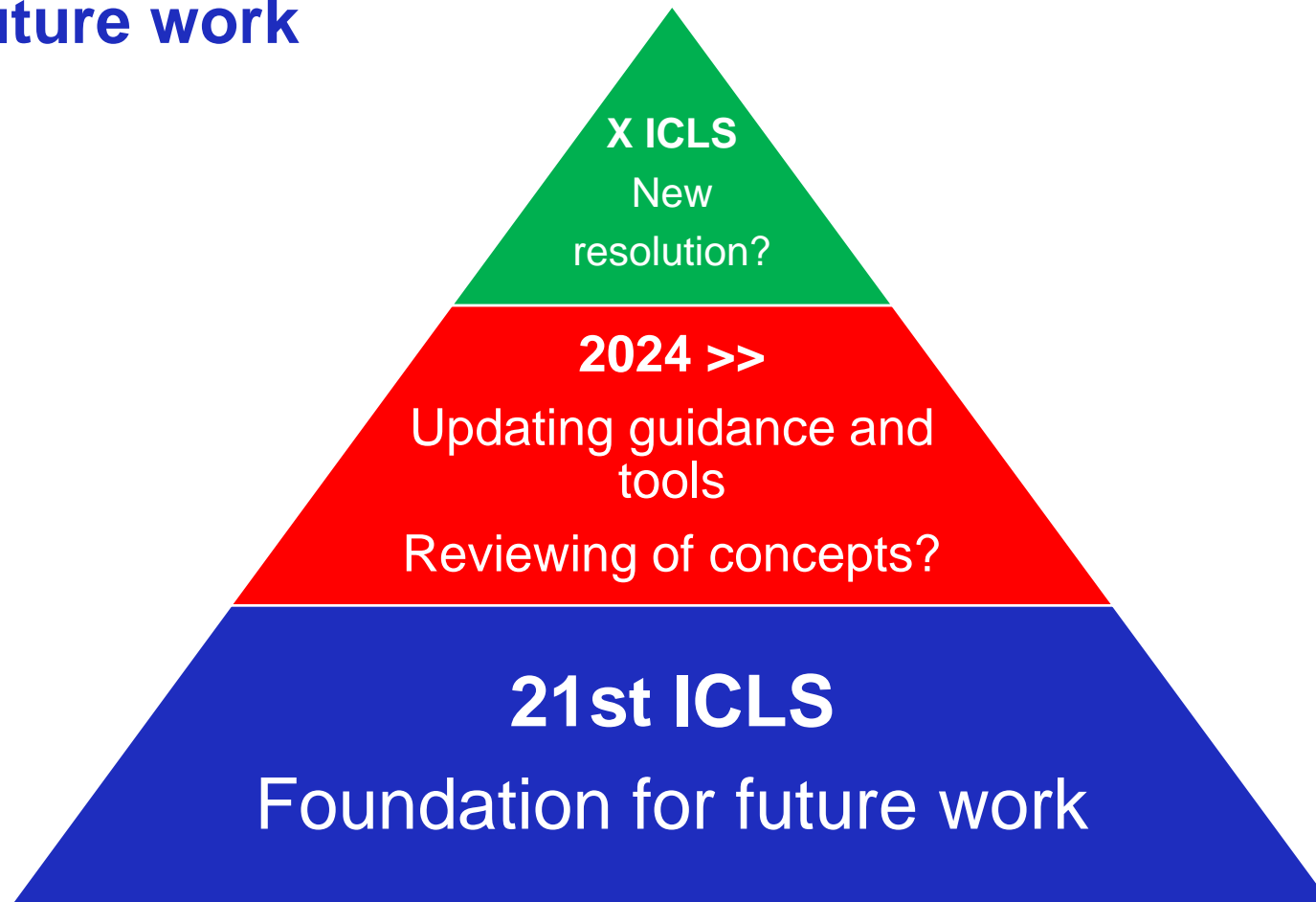
Exclude text not relevant anymore or contradicting latest standards

► Amendments to the 17th ICLS resolution

Changes proposed to the 16th ICLS resolution

Recognize income generated by engagement in all forms of work
not just from employment and production of goods for own consumption

Importance for future work



▶ **Questions?**