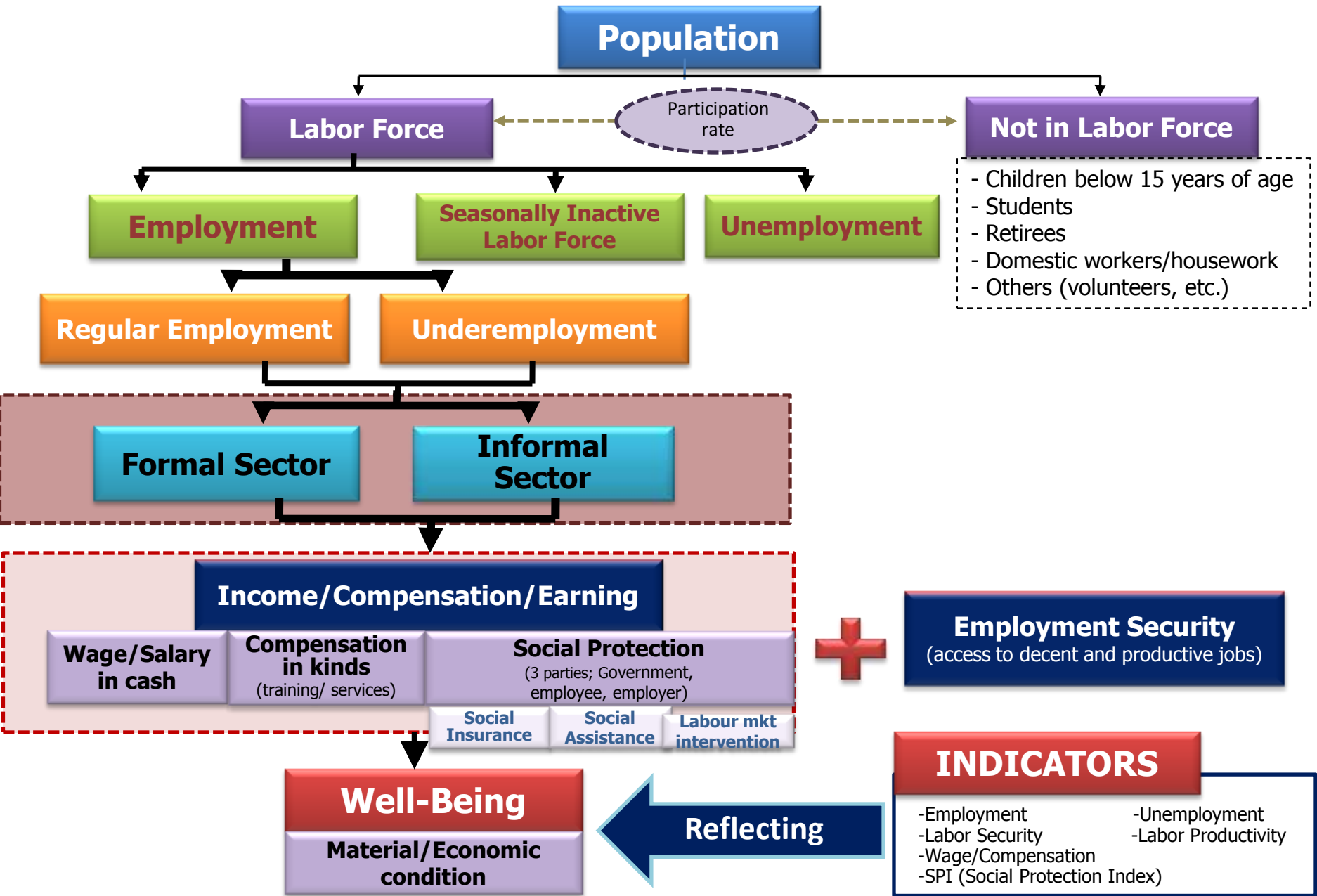


# Employment and Human Capital Model and Indicators for Measuring Material Well-being



# Challenging Issues when Moving *from* Employment Model *to* Measuring Well-being

(To ensure access to decent and productive job under changing context)

## Challenging Issues

- **Ageing**
  - job for elderly
- **Rising disparities**
  - skilled / unskilled
  - formal / informal
  - between sectors
  - gender
- **Labor productivity**
  - informality
  - education
  - job's decency
- **Social protection**
  - workfare
  - welfare
  - labor market intervention

## Consideration

- **Employment by**
  - age groups
  - participation rate of elderly
- **Employment by**
  - education
  - formal and informal sectors
  - working hours
  - sectors
  - compensation by sex
- **Labour productivity by**
  - sectors of production
  - formality/informality
- **Social protection**
  - welfare and workfare for formal and informal workers
  - labour market intervention

# Indicators of Employment and Human Capital Model

Categories	Description / Caveat	Proposed Indicators
<b>1. Total Employment / unemployment</b>	<ul style="list-style-type: none"> <li>- Reflect overall situation of people being employed and thus earning income.</li> <li>- But it is insufficient to indicate situation by groups of people. Thus it fails to reflect disparity between groups.</li> <li>- Unemployment indicate instability of the economy and thus income of the people</li> </ul>	<p><i>Employment / unemployment by</i></p> <ul style="list-style-type: none"> <li><i>+ sector of production</i></li> <li><i>+ age groups</i></li> <li><i>+ provinces/prefecture</i></li> <li><i>+ gender</i></li> <li><i>+ education (skilled/unskilled)</i></li> <li><i>+ number of hours worked</i></li> </ul>
<b>2. Underemployment;</b>	<ul style="list-style-type: none"> <li>- Underemployment indicates risk of being unemployed, labor productivity, and to some extents mismatching of the labor market.</li> <li>- Data might be available only on classification of workers based on number of working hours but not on misplacement due to over supply of certain areas of specialization such as social science while there exists shortage supply of other professions.</li> </ul>	<p><i>Labor Market efficiency and Mismatching ;</i></p> <ul style="list-style-type: none"> <li><i>+ Placement / Registered applicants</i></li> <li><i>+ Placement / Vacancies</i></li> <li><i>+ Registered applicants / Vacancies</i></li> <li><i>+ Underemployment disaggregated by number of hour works and by mismatching between degree of education and training and types of job being worked</i></li> </ul>

# Indicators of Employment and Human Capital Model

Categories	Description / Caveat	Proposed Indicators
<b>3. Informal / Formal sector</b>	<ul style="list-style-type: none"> <li>- Can be used as proxy of labor productivity and job's decency</li> <li>- Various definitions and inconsistency</li> <li>- Unavailability of timely data</li> </ul>	<i>Share of employment in formal and informal sector classified by sectors of production</i>
<b>4. Labor Productivity, Employment security and employability security, and Safety</b>	<ul style="list-style-type: none"> <li>- In some countries, available only on quarterly basis and not timely</li> <li>- Measurement of labour productivity is distorted due to pro-cyclical</li> </ul>	<i>Labor productivity (calculated based on number of working hours)            + by sectors of production            + informality            + education and health indicator            + work safety / injuries</i>
<b>5. Wage/Compensation</b>	<ul style="list-style-type: none"> <li>- In cash and in kind to reflect compensation paid for their works</li> <li>- However, some indicators exclude fringed benefits or government transfers</li> <li>- Data on compensation of employees are available only on quarterly basis</li> <li>- May not fully capture productivity depending on payment standard, laws and regulation being imposed.</li> </ul>	<i>Wages and Compensation            + Monthly wages based on labor force survey            + Minimum wages (daily and monthly wages)            + Compensation of employees (National Account Basis)</i>
<b>6. Social Protection Index (SPI)</b>	<ul style="list-style-type: none"> <li>- To represent level of social security and social protection to minimize risks</li> <li>- Not yet available, initial stage of development</li> </ul>	