

On the concept of persons in employment within the 2008 SNA and the ILO frameworks

The main goal of this note is to inform national accounts and basic statistics compilers in Latin America and the Caribbean about the Resolution I, adopted by the Nineteenth International Conference of Labour Statisticians (19th ICLS), held in October 2013, which introduces modifications to the concept of persons in employment established by the 2008 System of National Accounts (2008 SNA).

In paragraph 27 from this resolution, it is established that:

27. Persons in employment are defined as all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. They comprise:

- (a) employed persons “at work”, i.e. who worked in a job for at least one hour;
- (b) employed persons “not at work” due to temporary absence from a job, or to working-time arrangements (such as shift work, flexitime and compensatory leave for overtime).”

This definition is more restrictive with respect to the 2008 SNA, since it only includes those persons who work and receive “pay or profit”¹ in exchange and, hence, excludes those who work without receiving a remuneration (family workers without remuneration, interns, etc).

Paragraph 7.29 of the 2008 SNA states that:

“In order to be classified as employed, that is, either as an employee or self-employed, the person must be engaged in an activity that falls within the production boundary of the SNA.”

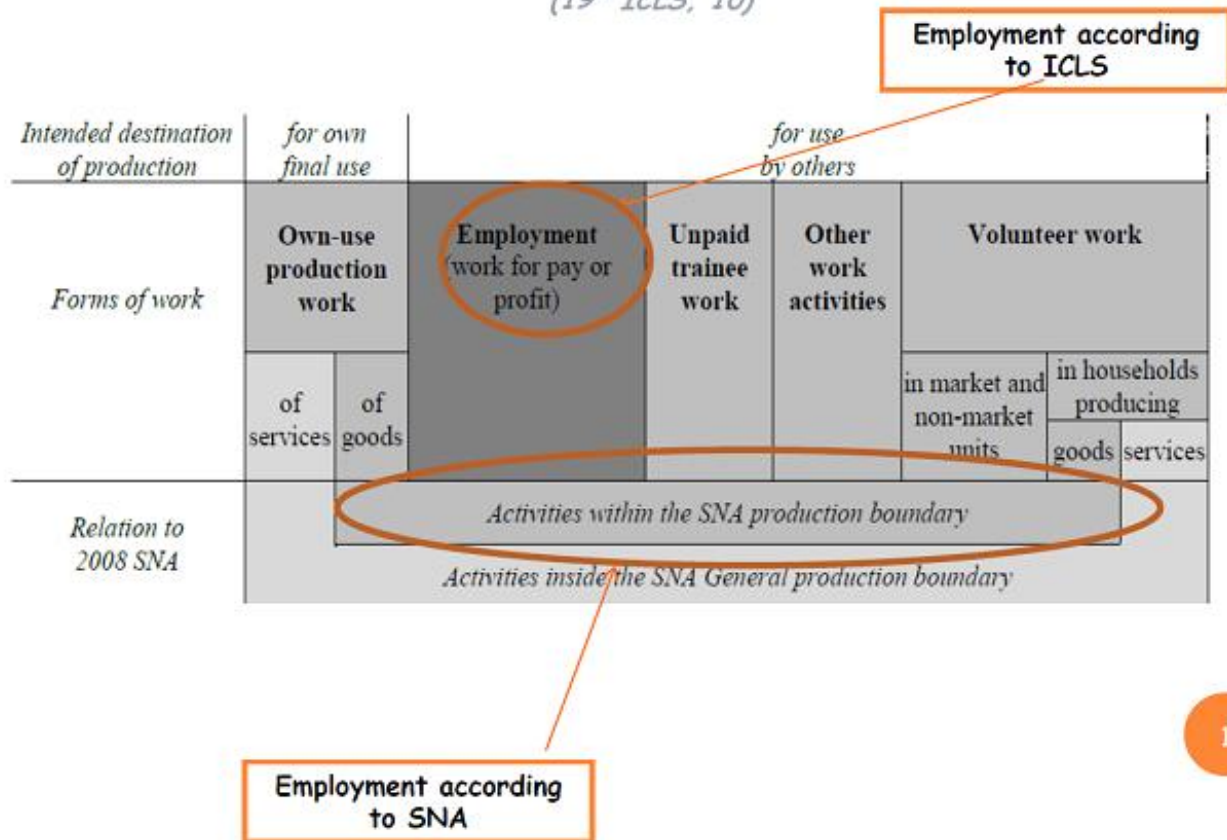
The main difference then lies on the fact that, for the 19th ICLS, those persons who work but do not receive remuneration or profits in exchange are not defined as “in employment”, but are considered unemployed or outside of the workforce.

The following diagram intends to clarify this discrepancy by identifying the definitions of employed persons established by the 2008 SNA and the mentioned resolution within Diagram 1 “Forms of work and the SNA” from Resolution I of the 19th ICLS:

¹ Profit refers to income perceived by self-employed persons.

Forms of work and the SNA

(19^a ICLS, 10)



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Countries that decide to adopt the recommendations of this resolution, should consider that the volume of persons in employment will decrease in the estimations from household surveys. Further, - *ceteris paribus* – regarding the Gross Domestic Product (GDP) estimation, an increase in the estimated productivity should be expected.

It is worth mentioning that recommendations from the ICLS have no binding status and the decision and responsibility of adopting them lies exclusively on the countries.

Therefore, agencies in the region responsible for the compilation of information used as input for national accounts are informed of this resolution, so that they analyze the content and take the necessary measures to maintain the concept of **person in employment** established in the 2008 SNA, both within the framework of national accounts and basic statistics.

A change in labour statistics can introduce a difference in concepts with respect to the 2008 SNA and, hence, affect official employment values.