Improving the Labour Market Information System (LMIS) regionally: Challenges and opportunities

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Summary

- Some reminders
- Regional LMIS
- Challenges and opportunities
Several preliminary matters

Labour Market Information System: four terms:

- Labour
- Labour market
- Labour market information
- Labour market information system
Labour

What is labour?
Dictionary definition: situation of a person who acts to produce something
Within the usual economic meaning, labour is paid employment which allows the production of goods and services. With capital, it is an economic factor of production. For neoclassical economists, labour is considered a standard commodity which follows the rules of supply and demand and adjusts according to quantities and prices.
International Labour Organization: “labour is not a commodity”
Labour market

What is the labour market?
Labour market

Virtual space in which, in a more or less organized manner, supply and demand of all forms of labour meet and in which wages are determined.

In economics, in comparison to the market for goods and services, the labour market refers to the theoretical market where labour supply and demand meet. Labour supply consists of employees and jobseekers, labour demand is the needs of enterprises (factors of production).

Segmentation, for example, by:
- geographic location (ECOWAS labour market)
- industrial sector (chemical industry in the ECOWAS region)
- Profession (market for architects in the ECOWAS region)
Labour Market Information (LMI)

What is labour market information?
Labour market information

This is “any information concerning the size and structure of the labour market or any part of the labour market, the way in which it, or any part of it, functions, the problems it faces, the opportunities that could be offered to it, and the intentions or aspirations of its actors related to employment”. For example: information on employment, unemployment information about professions
This definition shows that LMI includes:

- Both quantitative and qualitative information;
- Data about labour market actors and their environment, as well as relevant information on labour market institutions, policies and regulations, all collected using credible methodologies and practices that comply with international standards;

- The most extensive information possible on the economic environment of labour market actors;

Statistical information is defined here as information collected by using statistical methodologies (surveys, inquiries, etc.) that comply with international standards.
Labour Market Information System (LMIS)

What is a labour market information system?
A “labour market information system (LMIS)” is all the institutional provisions, procedures and mechanisms set up to coordinate the collection, processing, storage, recovery and circulation of labour market information.

A labour market information system includes the following elements:

- Users (institutions, organizations, individuals);
- Data sources;
- Producers (institutions, organizations);
- Information on the labour market itself;
Labour market information system (Contd.)

✓ Methodology of collecting, analysing and circulating data;
✓ Financial, material and human resources;
✓ Sub-systems for training staff and system end-users, feedback and assessment, research, methodology development and publications.

This list shows that information about the labour market unto itself is not a system component. LMI users and the methodologies used for the collection and analysis of data are integral parts of the system. **An ideal LMIS: a system that integrates information on labour migration**
Elements of a LMIS

The LMIS can be schematized as shown below

Main LMIS organ

- Financial, material and human resources
- Political and institutional support
- Users: individuals, government/institution organizations, Private sector
- Labour market information
- Data sources
- Producers: Institutions (public/private) Organizations
- Collection, analysis and circulation techniques
- Monitoring and assessment mechanisms
Objectives of a LMIS

The LMIS aims to produce labour market analyses, that are useful for the formulation and implementation of labour policies, migration, and projects and programmes to promote employment. To meet these concerns, the LMIS must be able to:

- Provide relevant and reliable information on employment, labour migration nationally and in administrative subdivisions;
- Analyse the labour market by highlighting signals;
- Provide a decision-making assistance tool by contributing to the definition, assessment and improvement of labour, training, and labour migration policies and by promoting social dialogue between partners.
Functions of LMIS

- **“Description” function**: basic or minimum LMIS function which facilitates the identification of subjects of policies. It consists of describing, in particular in quantitative terms, situations prevailing in the labour market and the evolution thereof.

- **“Monitoring” function**: aims to ensure the monitoring of progress made in the completion of labour, employment and human resources development policy objectives.

- **“Assessment” function**: checks the extent to which the completion of objectives can be attributed to policies.
Some elements of the regional LMIS mission

- **Standardization** of concepts, methods and timetables for the production of indices and information on the labour market and vocation training
- **Co-ordination** of national LMIS
- **Centralization** of data to create a sub-regional database on labour, training and labour migration to produce aggregated reports and comparative analyses
- A **cross-border system** to analyse and diagnose socioeconomic development in the ECOWAS region
- **Tool to monitor & assess** ECOWAS policies, strategies and regional programmes

The regional LMIS must contribute to the development of ECOWAS strategies on employment, training and labour migration
Establishment of a LMIS at ECOWAS regional level

The setup within ECOWAS of a regional LMIS that has an institutional framework and adequate resources operating in a network with national LMIS of Member States, and other existing regional information systems.

It must be a major domain for regional statistics given the challenge of employment in the region. This calls for political commitment and the allocation of adequate resources by ECOWAS.

- **Elements favourable to the establishment of a regional LMIS:**
  - Project to standardize and coordinate LMIS in African Union Member States with Regional Economic Communities (REC) as focal points of implementation and monitoring.
LMIS at ECOWAS regional level: challenges and opportunities

- WAEMU Sub-regional Observatory on Employment and Vocational Training

**Opportunities offered by a regional ECOWAS LMIS**

ECOWAS will have:
- a resource centre for analysis, assessment and recommendations
- an operational system to assist decision-making on the basis of a system integrated with relevant and reliable information on labour markets in the ECOWAS region

Countries and technical and financial partners will have access to:
- Information on the labour market in other ECOWAS countries
- Aggregated information and regional analyses on the labour market in the ECOWAS region
LMIS at ECOWAS regional level: challenges and opportunities

- The system created must be relevant
  - Resources necessary for the completion of objectives set

- Elements favourable to the establishment of a relevant system
  - ECOWAS labour and employment policy
  - ECOWAS community policies and programmes
  - Annual conference of Employment and Vocational Training Ministers in the WAEMU region

- Opportunities offered by a relevant system:
  - The possibility for the Commission through its departments to have a tool to assist in decision-making on the choice of best development strategies nationally and regionally;
  - The completed set objectives allow the Commission to raise further citizen awareness in the ECOWAS region and with TFP on ECOWAS’ vision and development strategies.
LMIS at ECOWAS regional level: challenges and opportunities

- The system set up must be efficient
  - Political and institutional support are given to the system set up to allow it to contribute to achieving the anticipated results.
  - Adequate resources are given to the system to allow it to contribute to achieving the anticipated results.
  - National LMIS are efficient

- Elements favourable to an efficient LMIS:
  - Awareness at continental and sub-regional level (Ouagadougou Summit in September 2004, Ouagadougou Forum in December 2009 on the road map, Sub-regional Observatory on Employment and Vocation Training (SOEVT) WAEMU)
  - Political will of Member States to promote their LMIS
LMIS at ECOWAS regional level: challenges and opportunities

- Opportunities offered by an efficient LMIS:
  - Achieving the anticipated results will allow ECOWAS to have a good overview of the regional labour market and labour markets in Member States.
  - Achieving the anticipated results provides Member States with a good overview of the regional labour market and national labour markets.
The system set up must perform well:

✓ Produce results on time and not waste resources
✓ Have successful national LMIS
✓ Have the necessary resources to carry out and on time collections, studies, analyses and publications on the labour market

Elements that guarantee the performance of the system

✓ Political will of Member States to have reliable and up-to-date information on the labour market

Opportunities offered by a successful system: results on time allow:

✓ ECOWAS to have elements to develop its strategy and policy on labour, training and migration;
LMIS at ECOWAS regional level: challenges and opportunities

- ECOWAS to improve its information base
- Member States to have up-to-date regional information
- The system set up must be sustainable
  - Ensure the relevance, efficiency and performance of the system
  - Durability of national LMIS
  - The institutional structure and division of tasks include the continuity of production, analysis and circulation nationally and regionally
- Elements favourable to a sustainable system
  - ECOWAS’ political will
  - Will of Member States
LMIS at ECOWAS regional level: challenges and opportunities

- Opportunities offered by a sustainable system
  - Possibility for ECOWAS, Member States and technical and financial partners to have a good overview of the labour market and the field of migration
  - Possibility for ECOWAS to have a solid and permanent base for the formulation, implementation and monitoring-assessment of its regional development policies and programmes.
LMIS at ECOWAS regional level: challenges and opportunities

- Ensure regular data collection
  - Regular data collection in Member States
  - Annual performance of labour surveys with households in Member States
  - Performance of regular inquiries into the informal sector
  - Performance of regular inquiries with enterprises
  - Performance of specific studies on the labour market (cross-border studies, etc.)
  - Boost technical and human capacities

- Elements favourable to regular data collection:
  - Conclusion of the Summit of Heads of State and Government of the AU 2011 in Malabo;
  - Recommendation of the WAEMU Conference of Employment and Vocational Training Ministers
LMIS at ECOWAS regional level: challenges and opportunities

- Opportunities offered by this regularity:
  - Availability of regular data on employment (labour market indicators, decent work indicators, indicators and data on migration) to update the regional labour database;
  - Better visibility of the regional labour market and national labour markets
LMIS at ECOWAS regional level: challenges and opportunities

- Ensure data is consolidated regularly and reports are drafted regionally.
- Challenges to the inclusion of gender in the production of information on migration.
LMIS at ECOWAS regional level: challenges and opportunities

- Challenge to present information in due time
  The presentation of information in due time is extremely important, both for jobseekers and employers and decision-makers.

- Opportunities offered by presenting information on time:
  - Availability of regular data on employment, training and migration (decent work indicators), important for the updating of the regional database on employment.
  - The publication in due course of information on the labour market would be very useful to employers in the region and jobseekers.
LMIS at ECOWAS regional level: challenges and opportunities

✓ It would also help the parties concerned to set up training programmes that will help communities to prepare to benefit from new openings. Employers would also benefit from it, as they could anticipate market needs, not only in response to changes in the main economic sectors, but also in complementary service sectors.

✓ It would also help different users in their research
LMIS at ECOWAS regional level: challenges and opportunities

- **Challenge to respond to user requests on time**
  - List of requests
  - Availability of necessary information
  - Ability of managers to react to requests
  - Capacity building

- **Opportunities offered**
  - Possibilities for decision-makers responsible for regional development policies and strategies to have responses on time to their requests;
  - Possibilities for project and community development managers, technical and financial partners of the Commission to have responses on time to their requests;
LMIS at ECOWAS regional level: challenges and opportunities

✓ Possibility for governments, enterprises, non-governmental organizations and private individuals to have reliable information about the labour market to be able to respond adequately to changes nationally and regionally.

✓ Possibility for researchers and consultancies, individual users and other users to have responses on time to their requests.
LMIS at ECOWAS regional level: challenges and opportunities

- Challenge to the standardization of national LMIS
  
  Data can only be aggregated and compared if it is comparable on the basis that concepts, definitions, collection methodologies and the calculation of indices are standardized and consistent with international standards.

- Standardization of collection (questionnaire) tools

- Elements favourable to this standardization:
  
  - International ILO resolutions and recommendations (resolution on labour, employment, and underuse of labour statistics adopted by the 19th ICLS in October 2013);
  - Minimum list of AU labour market and vocational training indicators (Project to standardize and coordinate LMIS in Africa);
  - Minimum list of WAEMU labour market and vocational training indicators.
LMIS at ECOWAS regional level: challenges and opportunities

- Standardized AU questionnaires (labour survey questionnaires with households, enterprise survey adopted, draft informal sector survey questionnaire)

  - Opportunities offered by this standardization:
    - Facility for the regional LMIS to aggregate, consolidate and use Member State data;
    - Facility for the regional LMIS to carry out studies and comparative analyses;
    - Facility for the regional LMIS to produce reports and publications at ECOWAS level;
    - Possibility of making comparisons at international level
LMIS at ECOWAS regional level: challenges and opportunities

- Challenge to the co-ordination of LMIS in the ECOWAS region
  - Statistical co-ordination in Member States is necessary, including the co-ordination of LMIS. The purpose of co-ordination is to ensure that the various components of the system form a coherent whole.
  - Create a national LMIS network
  - Create a network for labour statisticians in the WAEMU region

- Elements favourable to co-ordination
  - African Union project
  - Sub-regional Observatory on Employment and Vocation Training
  - National Employment and Training Observatories
LMIS at ECOWAS regional level: challenges and opportunities

- Opportunities offered by standardization:
  - Capacity to use budgetary resources to respond to general priorities;
  - Possibility of allocating human resources depending on general needs;
  - Possibility of using possible synergies;
  - Possibility of benefiting from possible efficiencies;
  - Capacity to ensure that system products are consistent, when necessary, as well as protecting the system against political interference.
LMIS at ECOWAS regional level: challenges and opportunities

- The challenge of an institutional organization that is suitable for regional LMIS
  Institutional anchoring and LMIS relations with the Commission’s departments is important to ensure its efficiency, effectiveness and continuity
  Challenge of an appropriate status for national observatories/authorized institutions

- Opportunities offered by a suitable institutional framework for LMIS
  - Possibility of having an operational system to assist decision-making, on the basis of a relevant and reliable integrated information system;
  - A system linked to an institutional decision-making body;
  - A consultancy within a network of partners
Summary: Translating political will into concrete actions that allow the necessary resources to be allocated to LMIS both nationally and regionally.
Thank you for listening