



**State Statistics Service of Ukraine**



# **Analysis of Some Labour Market Aspects Using the Quality of Employment Indicators**

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## Main Labour Market Indicators of Ukraine, 2005-2010

	2005	2006	2007	2008	2009	2010
<i>Activity rate, %<sup>2</sup></i>	62.2	62.2	62.6	63.3	63.3	63.7
<i>Employment rate, %<sup>1</sup></i>	57.7	57.9	58.7	59.3	57.7	58.5
<i>Share of informal sector employment, %</i>	21.5	22.3	22.3	21.8	22.1	22.9
<i>Unemployment rate, %<sup>1</sup></i>	7.2	6.8	6.4	6.4	8.8	8.1
<i>Inactivity rate, %<sup>1</sup></i>	37.8	37.8	37.4	36.7	36.7	36.3
<i>Average monthly nominal wage, UAH<sup>2</sup></i>	806	1041	1351	1806	1906	2239
<i>Real wage growth, % to the previous year<sup>2</sup></i>	120.3	118.3	112.5	106.3	90.8	110.2

*Sources: <sup>1</sup> Labour Force Survey, population aged 15-70,*

*<sup>2</sup> Enterprises survey*



## Main Labour Market Indicators of Ukraine, 2005-2010

- According to the LFS data **the number of economically active population** aged 15-70 years in 2010 amounted to 22.1 million people, of whom 20.3 mln. were engaged in economic activity and the remaining 1.8 mln. were unemployed. **The economic activity rate** as compared to 2009 has increased by 0.4 percentage points and amounted to 63.7 per cent (in 2005, 62.2 per cent )
- During 2005-2008 **the employment rate** of population aged 15-70 gradually increased (from 57.7 per cent of population of relevant age in 2005 to 59.3 per cent in 2008.), And **the unemployment rate** decreased (from 7.2 per cent in 2005 to 6.4 per cent in 2008.). However, in 2009 due to financial crisis the mentioned indicators made up 57.7 per cent and 8.8 per cent respectively. In 2010 as compared to 2009 the employment rate increased and reached 58.5 per cent, and unemployment rate declined and was 8.1 per cent of the economically active population.



## Main Labour Market Indicators of Ukraine, 2005-2010

- In the structure of employed the share of employees is being decreased with the share of self-employed increasing. As a result of the process the share of population employed in the informal sector increases (from 21.5 per cent of the total employed population in 2005 to 22.9 per cent in 2010).
- Despite the steady growth of nominal wages its level is still low. In 2010 it was 2239 UAH (213 euros) per month. After the decline of real wages in 2009 (by 9.2 per cent), in 2010 we observed the increase by 10.2 per cent



# State Statistics Service of Ukraine

## 1. Safety and Ethics of Employment

### (a) Safety at work

	2005	2006	2007	2008	2009	2010
<b>Fatal occupational injury rate, per 100,000 employed people</b>	8.4	8.3	9.3	8.0	5.5	5.6
<b>male</b>	15.7	15.7	17.8	15.6.	10.9	11.2
<b>female</b>	1.4	1.2	1.5	1.1.	0.7	0.6
<b>Non-fatal occupational injury rate, per 100,000 employed people</b>	172	160	155	135	113	112
<b>male</b>	279	258	257	223	190	186
<b>female</b>	69	66	60	55	44	47
<i>Average number of days of absence from work per injured employee</i>	36.3	37.8	37.6	39.6	39.6	40.2
<i>Share of employees working in conditions that fail to meet sanitary and hygienic standards, %</i>	27.4	...	27.5	...	27.8	5...



## 1. Safety and Ethics of Employment

### (a) Safety at work

- Non-fatal injury rates have been decreasing over the past eleven years, while only gradual progress has been made on fatal occupational injuries. Some 76.7 per cent of accidents are caused by reasons related to organization in the workplace. Technical reasons caused 14.7 per cent of accidents, and psycho-physiological reasons are responsible for 8.6 per cent of accidents.
- Every fourth person in the basic economic sectors in 2009 works in conditions that fail to meet sanitary and hygienic standards stands.

*Sources: enterprises survey on*

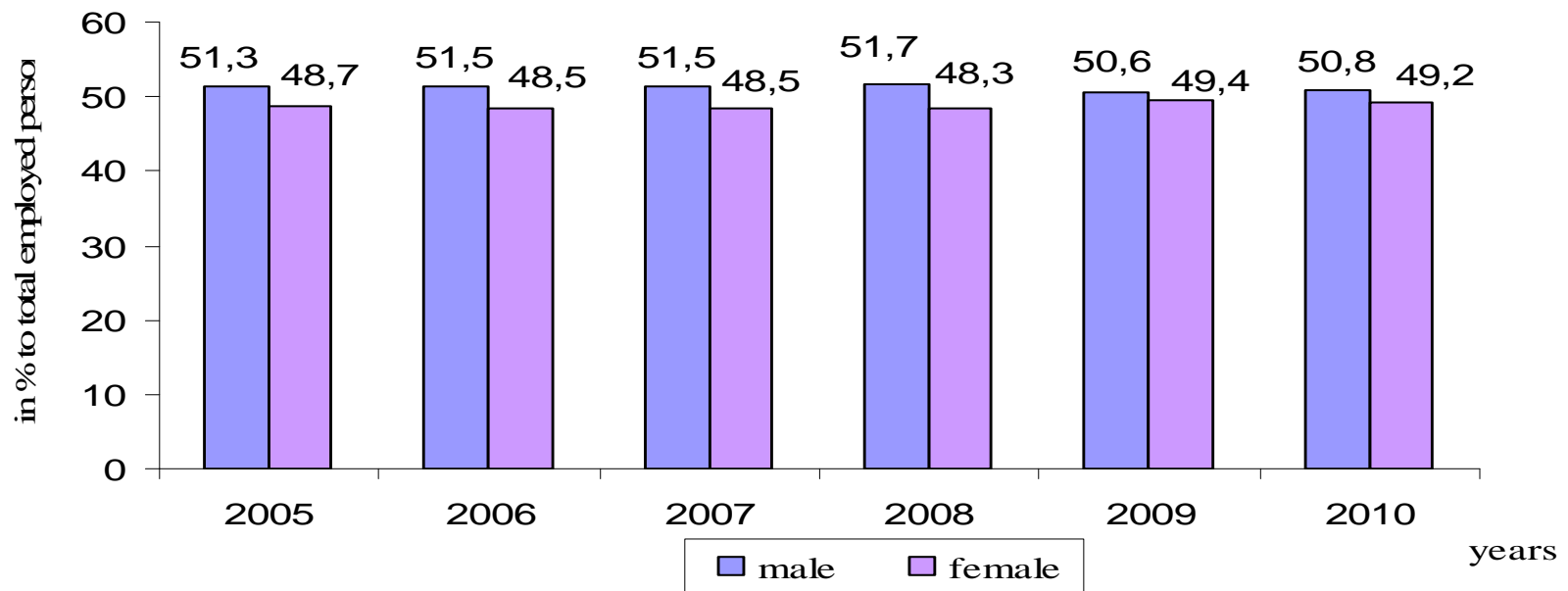
*Work protection - annual*

*Labour conditions on enterprises - once every two years.*



## 1. Safety and Ethics of Employment (c) Fair treatment of employment

### Employment by sex

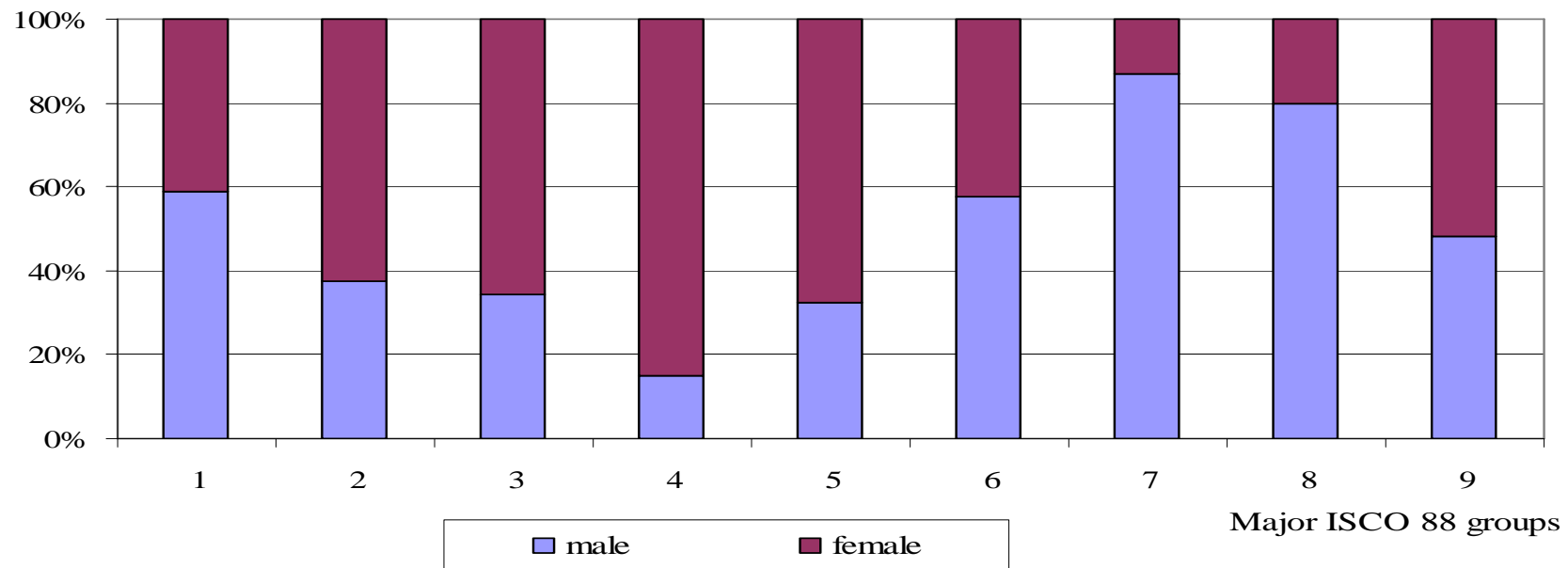


- During 2005-2008 the structure of the employed population by sex remained almost unchanged, the share of women ranged within 48.3 and 48.7 per cent, and the share of men, from 51.3 to 51.7 per cent. In 2009-2010 the share of women in the structure slightly increased and amounted 49.2 percent in 2010.



## Safety and Ethics of Employment (c) Fair treatment of employment

### Gender segregation by occupation groups, 2010



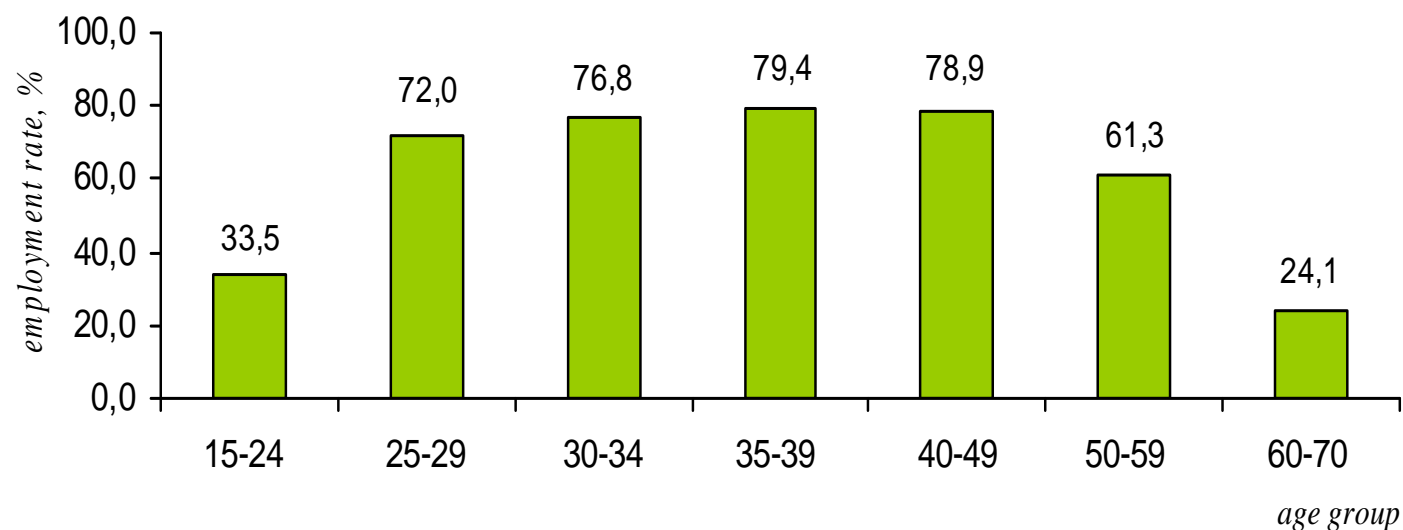
➤ The analysis of the distribution of the employed persons by occupation (ISCO 88) reveals that men dominate in the major groups 1, 6, 7 and 8 (with shares between 57.7 per cent and 87.0 per cent). Women dominate in the major groups 2, 3, 4, 5, 9 (with shares between 51.9 and 84.9 per cent).





## 1. Safety and Ethics of Employment (c) Fair treatment of employment

Employment rate by age group, 2010



- The highest employment rate was observed for persons aged 30-49, the lowest, for persons aged 15–24 and 60–70 .



## 3. Working Hours and Balancing Work and Non-working Life (a) Working hours

	2005	2006	2007	2008	2009	2010
<b>Share of employed persons working 49 hours and more per week <sup>1</sup>, %</b>	6.3	6.0	5.7	5.7	4.1	3.7
<b>male</b>	8.4	8.2	8.0	7.9	5.4	5.1
<b>female</b>	4.0	3.6	3.2	3.2	2.7	2.3
<b>Share of employed persons working less 30 hours per week <sup>1</sup>, %</b>	4.8	4.5	4.4	4.3	6.0	5.3
<i>Share of employees working few hours per week involuntarily <sup>2</sup>, %</i>	<b>7.4</b>	<b>5.4</b>	<b>4.4</b>	<b>10.6</b>	<b>19.4</b>	<b>13.6</b>

Sources: <sup>1</sup> *Labour Force Survey;*

<sup>2</sup> *Enterprises survey.*



## 3. Working Hours and Balancing Work and Non-working Life

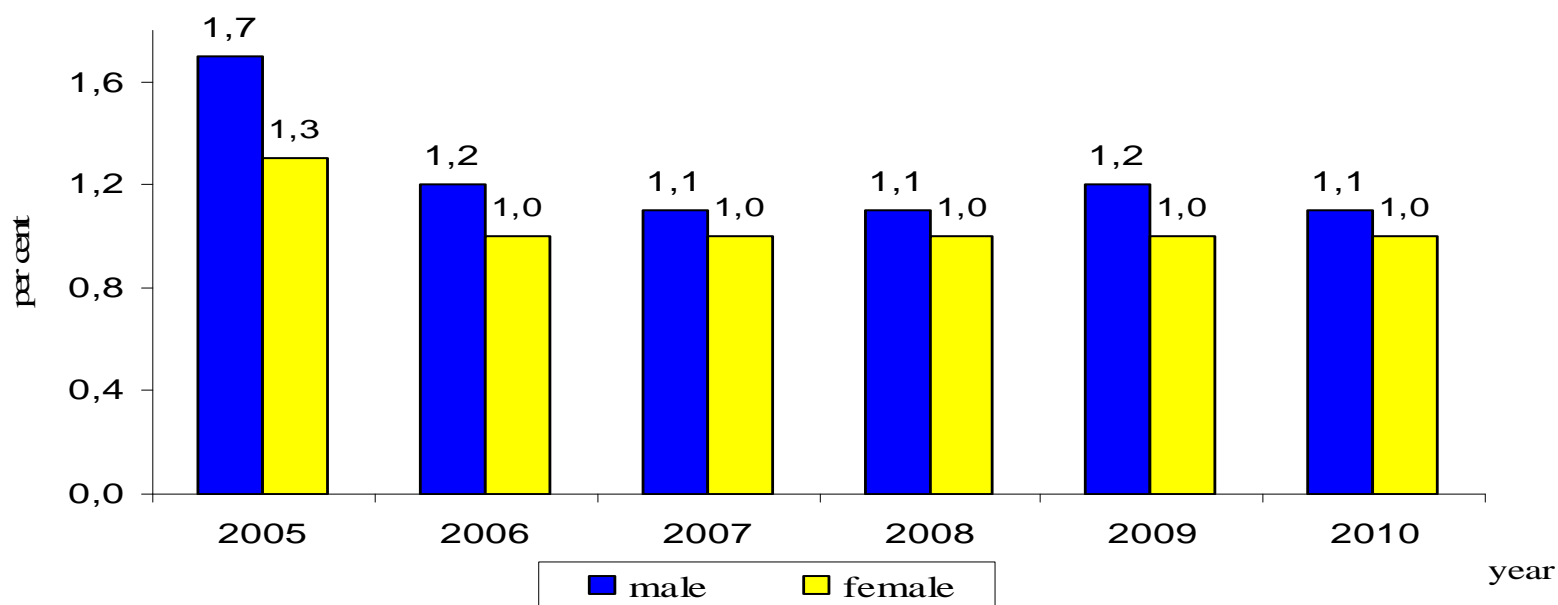
### (a) Working hours

- The statutory duration of the working week in Ukraine is 40 hours. In 2010, the estimated average duration of the working week was 40 hours per employed person; it remained unchanged from the previous years.
- During 2005 and 2010 the share of employed persons, who work long hours (more than 48 hours per week) was at 6.3-5.7 per cent. In 2010 this indicators decreased to 3.7 per cent. During the whole period the share of persons working long hours was considerably higher among men than among women.
- Share of employed persons working less than 30 hours per week was gradually decreasing from 2005 to 2008 and ranged within 4.8 and 4.3 per cent respectively. In 2009 it considerably increased to 6.0 per cent, but in 2010 it dropped by 0.7 percentage points.
- According to business statistics observations the highest level of involuntary part-time employment was in 2009 and amounted to 19.4 per cent. While in 2010 it dropped to 13.6 per cent.



### 3. Working Hours and Balancing Work and Non-working Life (a) Working hours

#### Share of employed persons working more than one job



➤ The share of persons with secondary activities is very low in Ukraine. In 2005 it was 1.5 per cent, during 2006-2010, from 1.1 to 1.0 per cent. Among persons who have more than one job the share of men is higher.



## 5. Social Dialogue

	2005	2006	2007	2008	2009	2010
<b>Share of employees covered by collective wage bargaining, %</b>	82.1	82.7	82.4	83.9	83.2	81.6

➤ The coverage of enterprise-level collective agreements in Ukraine is rather high, and it rose from 68.9 per cent to 81.6 per cent during the period from 1998 to 2010.

➤ The high level of the indicator can be explained by the peculiarities of its measurement and compilation. It is calculated as the ratio of workers covered by collective agreements to the total number of employees in the surveyed enterprises.

*Sources: Surveys of enterprises in labour statistics - monthly at enterprises with more than 9 employees (the indicator is available annually)*



## 6. Skills Development and Training

	2005	2006	2007	2008	2009	2010
<b>Share of employees who received job training within the last 12 months, %</b>	11.3	11.2	11.9	11.6	10.2	10.6

➤ The share of employees who received job training remains at a low level, moreover, since the beginning of the economic crisis its decline was recorded.

➤ In 2010, the number of workers who obtained vocational education and training was 1160 thousand. 2 per cent of them got vocational training, while 8.6 per cent, skills development.

➤ According to the labour costs survey for 2010, employers spent for training only 0.2 per cent of all work force costs, as well as in 2006.

*Sources: business survey on  
Professional training of staff - annually*



## Quality of Employment Indicators: Availability and Use

- The study revealed that Ukraine can produce about half of the core indicators recommended, which cover the first six dimensions of the quality of employment framework.
- The possibility of preparing a complete country profile based on all the indicators is limited at the moment because of other projects aimed at development of information data base by other important statistical areas.
- The table below shows the number of observable indicators based on the regular or one-off observations



## Quality of Employment Indicators: Availability and Use

<b>Dimension</b>	<b>N of ind.-s</b>	<b>Available</b>	<b>Unavailable</b>
<b>1. Safety and ethics of employment</b>	12	6	6
<b>2. Income and benefits from employment</b>	8	3	5
<b>3. Working hours and balancing work and non-working life</b>	12	6	6
<b>4. Security of employment and social protection</b>	7	6	1
<b>5. Social dialogue</b>	2	1	1
<b>6. Skills development and training</b>	5	4	1
<b>7. Workplace relationships and work motivation</b>	9	-	9
<b><i>Total</i></b>	<b>55</b>	<b>26</b>	<b>29</b>





## Development of the Quality of Employment Indicators System

### (1) Identifying each indicator (including formula)

- The absence of such recommendations complicates the understanding of indicators, principally, by users and can lead to incorrect interpretations.
- Moreover, in national practice there may be indicators that sound similar but bear a different meaning. Such indicators turn to be more familiar and understandable for a user. For example,

*Share of employed persons working in "hazardous" industries and occupations (as defined by ILO)*

**List of dimensions and indicators**



*Share of employed persons working in conditions that fail to meet sanitary and hygienic standards*

**National practise**



## Development of the Quality of Measurement Indicators System

### (2) Defining the data source

- For example, indicators *"Income from employment"* may be obtained from the household survey (LFS) or business survey (SES). Estimates from both sources are suitable for analysis, although they will differ.
- The situation is not the same with the index *"Share of employees covered by unemployment insurance"* which can be obtained as a result of population survey (LFS) or from administrative sources (data from Unemployment Insurance Fund). From our point of view, the administrative source is preferable in case of this indicator.
- Thus, the suitability of one or more sources must be defined for each indicator.



## Development of the Quality of Measurement Indicators System

### (3) In-depth analysis of data availability

- For example, there are difficulties in obtaining indicator *“Share of enterprises belonging to employer organisations”*.
- In Ukraine, the data for this indicator can not be derived from the business register.  
At the end of 2010 there were 21 all-Ukrainian associations of employers. Such associations also exist at the regional level. In this case, you should keep in mind that an employer can be a member of several associations.
- Thus, this brings up the question about the statistical nature of the indicator, since it can not be obtained within the framework of the existing statistical surveys of enterprises or households, or from a single administrative source.



## Development of the Quality of Measurement Indicators System

### Conclusions

- The developed list of indicators adequately covers all aspects of the quality of employment measurement.
- There is a need for recommendations regarding the definitions of the indicators and data sources.
- In the national practice a significant number of proposed indicators has been already used to analyze the quality of employment.



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**Thank you for your attention!**

