

Note : Employment and unemployment statistics during the COVID-19 crisis

The broad comparability of unemployment data across OECD countries is achieved through the adherence of national statistics to International Guidelines from the International Conference of Labour Statisticians (ICLS) – the so-called ILO guidelines.

Departures from these guidelines may however exist across countries depending on national circumstances (e.g. statistical environment, national regulations and practices). Typically, these departures have only a limited impact on broad comparability of employment and unemployment statistics. However, the unprecedented impact of Covid-19¹ is amplifying divergences and affects the cross-country comparability of unemployment statistics in this news release.

This concerns in particular the treatment of persons on temporary layoff or employees furloughed by their employers. These are *persons not at work during the survey reference week due to economic reasons and business conditions* (i.e. lack of work, shortage of demand for goods and services, business closures or business moves).

According to ILO guidelines, ‘**employed**’ persons include those who, in their present job, were ‘not at work’ for a short duration but maintained a job attachment during their absence (ILO, 2013 and 2020). Job attachment is determined on the basis of the continued receipt of remuneration, and/or the total duration of the absence. In practice, formal or continued job attachment is established when :

- *the expected total duration of the absence is up to three months (which can be more than three months, if the return to employment in the same economic unit is guaranteed and, in the case of the pandemic, once the restrictions in place - where applicable - are lifted)*

OR

- *workers continue to receive remuneration from their employer, including partial pay, even if they also receive support from other sources, including government schemes.*

In turn persons are classified as ‘**not employed**’ if:

- *The expected total duration of absence is greater than three months or there is no or unknown expected return to the same economic unit*

AND

- *People in this condition do not receive any part of their remuneration from their employer.*

Not-employed persons are classified as ‘**unemployed**’ if they fulfil the criteria of active “job search”² and “availability” specified for the measurement of unemployment.

However, departures from these guidelines in national practices do exist. In particular, in North America persons on temporary layoff are considered to be “only weakly or not at all attached to their job and are to be counted as unemployed” (Sorrentino, 2000). In the United States, people on temporary layoff are classified as ‘unemployed’ if they expect to be recalled to their job within six

¹ Broad comparability is ensured during normal business conditions, while divergences are potentially exacerbated during economic and financial crisis, such as the Great Recession or the current Covid-19 crisis.

² Some not-employed persons may be classified as “inactive/out of the labour force” because, due to the pandemic, they are either not able to actively look for a job even if they are available to work or are not available to work because of family responsibilities as schools and care services are closed.

months. If they have not been given a date to return to work by their employer and if they have no expectation to return to work within six months, they need to fulfil the “job search” criteria to be classified as ‘unemployed’. For the latest US figures “people who were effectively laid off due to pandemic-related closures were counted among the unemployed on temporary layoff” without further testing for their return to their previous job (BLS, 2020). In Canada, persons in temporary layoff are also classified as ‘unemployed’ if they have a date of return or an indication that they will be recalled by their employers.

Conversely, persons on temporary layoff are classified as employed (not at work) in Europe, as recommended by the ILO Guidelines (Eurostat, 2016). In practice, formal job attachment is tested on the basis of (i) an assurance of return to work within a period of three months or (ii) the receipt of half or more of their wage or salary from their employer. Somewhat stricter than ILO guidance, absences during COVID-19 crisis whose duration is unknown are treated as absences longer than three months. Those failing to satisfy these two criteria are classified as unemployed if they are “available to start work” (over the next two weeks) and have actively searched for a job in the last four weeks. All other persons on layoff are classified as inactive.

References

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