Summary of KILM 9th Edition

The KILM has become a cornerstone of information for those concerned with the world of work.

The first edition of the Key Indicators of the Labour Market (KILM) was released in 1999. It has since become a leading product of the International Labour Office (ILO) and is used daily by researchers and policy-makers throughout the world.

At the national level, statistical information is generally gathered and analysed by statistical services and ministries. At the global level, the ILO plays a vital role in assembling and disseminating labour market information and analysis to the world community. ILOSTAT, the ILO consolidated database, is the biggest repository of labour statistics in the world. Due to its complexity and wide range of indicators, ILOSTAT includes subsets of databases which provide more in-depth analysis for key indicators. This is the case for the KILM, which is based in large part on data from ILOSTAT, augmented by data from other international repositories and with estimates and projections carried out by the ILO Research Department and Department of Statistics. A key aim of the KILM is to present a core set of labour market indicators in a user-friendly manner.

This ninth edition of the KILM strengthens the ILO's efforts to support measurement of national progress towards the new SDG of "promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all".

The KILM also serves as a source of national data for measuring progress towards Sustainable Development Goal 8 (SDG 8), to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". For example, GDP per capita and GDP growth (KILM A), the share of informal employment in non-agricultural employment (KILM 8) and the share of youth not in education, employment or training (NEET, KILM 10c), when analysed together, can offer a rich assessment of trends and levels of decent and productive employment in a country. While the Indicator Framework to monitor the 2030 Agenda for Sustainable Development is still under development, this set of key indicators will undoubtedly be instrumental for this purpose.

The KILM also provides valuable information on indicators relating to other SDGs linked to employment and the labour market. For example, the statistics on poverty and income distribution contained in KILM table 18a can be a very useful tool for measuring progress towards the SDG 1 of "ending poverty in all its forms everywhere" and SDG 10 of "reducing inequality within and among countries".

The KILM offers timely data and tools for those seeking to run their own analysis.

The KILM programme has met the primary objectives set for it in 1999, namely: (1) to present a core set of labour market indicators; and (2) to improve the availability of the indicators to monitor new employment trends. But that is not all that the KILM has to offer. It has evolved into a primary research tool that provides not only the means for analysis, i.e. the data, but also guidance on interpretation of indicators and data trends. These contributions – including those in this KILM 9th edition, described below – serve the ILO's agenda of identifying employment challenges in order to inform policy action that can create more decent work opportunities around the world, especially where the need is greatest.

Smart policy-making requires up-to-date and reliable labour market information ...

Defining effective labour market strategies at the country level requires first and foremost the collection, dissemination and assessment of up-to-date and reliable labour market information.[1] Once policies and strategy are decided, continued gathering and analysis of information are essential to monitor progress towards goals and to adjust policies where needed. Labour market information and analysis is an essential foundation for the development of integrated strategies to promote fundamental principles and rights at work, productive employment, social protection and dialogue between the social partners, as well as to address the cross-cutting themes of gender and development. This is where the KILM comes in.

... such as that provided in the KILM.

The KILM is a collection of 17 "key" indicators of the labour market, covering employment and other variables relating to employment (status, economic activity, occupation, hours of work etc.), employment in the informal economy, unemployment and the characteristics of the unemployed, underemployment, education, wages and compensation costs, labour productivity and working poverty. Taken together, the KILM indicators provide a strong basis for assessing and addressing key questions related to productive employment and decent work.

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[1] For examples of how it can be used when formulating policies, see the "Guide to understanding the KILM".

This edition highlights current labour market trends:

This ninth edition of the KILM offers a series of noteworthy findings, some excerpts of which are presented here:

The world's labour force is becoming more and more highly educated, which could support increased productivity.

- The educational level of the world's labour force is improving. In 62 out of 64 countries with available data spanning the past 15 years, the share of the labour force with a tertiary education increased. In all but three of these countries, the share of the labour force that had attained only primary or less than primary educational level declined – with significant improvements seen in many low income, lower middle income and upper middle income economies.
- An increasing proportion of the labour force with tertiary level education is associated with higher levels of labour productivity, and so these favourable education trends could facilitate an expansion in production of higher value added goods and services and faster productivity growth, thereby supporting economic growth and development.

Education is not always effective in protecting against unemployment.

- In 67 of the 93 countries for which data are available, people with tertiary education are less likely to be unemployed than people with lower levels of education. Yet, while higher levels of education are found to protect workers from unemployment in most high income countries, among upper middle income economies the situation is more mixed, and in low income and lower middle income economies, people with high levels of education tend to be more likely to be unemployed. In these developing economies, there is a clear mismatch between the numbers of skilled people and of available jobs matching their competencies and expectations.

Unemployment remains elevated in most countries.

- Out of 112 countries with comparable KILM unemployment rate data, 71 (63 per cent) had higher unemployment rates in 2014 (or the closest available year) than in 2007. The median unemployment rate across these 112 countries increased from 6.4 per cent in 2007 to 7.2 per cent in 2014.
- High income economies saw the number of unemployed increase by 16.2 million between 2007 and 2009, accounting for 56 per cent of the total global increase in unemployment during the global financial and economic crisis. However, since 2009, the number of unemployed in high income economies has declined by 5.7 million, whereas the number of unemployed in each of the other income groups continues to grow.

Wide productivity gaps remain, with differences in levels of industrialization

- The average worker in a high income economy currently produces 62 times the annual output of an average worker in a low income economy and 10 times that of an average

playing a key role in determining productivity levels.

worker in a middle income economy (based on productivity figures in constant 2005 US$).

- Economic structure is closely related to these productivity differences. In low income countries, more than two-thirds of all workers are employed in the agricultural sector – often in low productivity, subsistence activities – and only 9 per cent are employed in industry. In middle income economies, less than one-third of workers are employed in agriculture, while 23 per cent of workers are employed in the industrial sector.
- Middle income economies have accounted for nearly all (97 per cent) of the global growth in industrial employment since 2000. Manufacturing employment in high income economies has declined by 5.2 million since 2000, while in middle income economies it has grown by 195 million.

Productivity is growing fastest in middle income economies.

- In line with this rapid industrialization, middle income economies have registered the fastest productivity growth over the past 15 years (measured as output per worker) and also the fastest growth over the more recent period following the global economic crisis. Since 2009, upper middle income economies have seen productivity rise by 4.6 per cent per year on average, with productivity in lower middle income economies growing by 3.8 per cent per year. Productivity in low income economies rose by 3.2 per cent per year over the same period, while high income economies registered an annual increase of only 1.2 per cent.
- As of 2015, the vast majority (72 per cent) of the world's workers are employed in middle income economies (with per capita gross national income, GNI, of between $1,045 and $12,736). Twenty per cent of the world's workers are employed in high income economies (GNI per capita above $12,736), while 8 per cent are employed in low income economies (GNI per capita below $1,045). Thus, labour market trends in middle income economies shape, in large part, overall global labour market trends.

Favourable labour market trends in middle income economies have helped reduce global poverty.

- On the back of rapid industrialization and robust productivity growth, the number of working poor (workers in households where each person lives on less than US$2 per day at purchasing power parity, PPP) declined by 479 million between 2000 and 2015 – with the share of the working poor in total employment dropping from 57 per cent of the workforce in middle income economies in 2000 to 25 per cent in 2015. Middle income economies accounted for all of the world's reduction in working poverty over this period.

The KILM 9th edition has many features enabling easy access and manipulation of the data, including a friendly user-driven projection tool.

The interactive KILM software and Excel add-in (downloadable from the ILO Department of Statistics website: www.ilo.org/kilm) make searching for relevant labour market information and analysis quick and simple. For those who wish to work from the Internet, the KILM indicators can be directly downloaded for individual countries from the KILM webpage. Each version offers a simple user interface for running queries on the most up-to-date KILM indicators. Users can also access ILO world and regional aggregates of selected key indicators directly from the KILM software, Excel add-in and Internet database.