

SHARE OF WOMEN IN WAGE EMPLOYMENT IN NON-AGRICULTURAL SECTOR		
Economic Development	Employment	Core indicator

1. INDICATOR

- (a) **Name:** Share of women in wage employment in the non-agricultural sector
- (b) **Brief Definition:** *The share of women in wage employment in the non-agricultural sector is the share of female workers in wage employment in the non-agricultural sector expressed as a percentage of total wage employment in that same sector.*
- (c) **Unit of Measurement:** %.
- (d) **Placement in the CSD Indicator Set:** Economic development/Employment

2. POLICY RELEVANCE

- (a) **Purpose:** The indicator shows the extent to which women have access to paid employment, which will affect their integration into the monetary economy. It also indicates the degree to which labour markets are open to women in industry and services sectors which affects not only equal employment opportunities for women but also economic efficiency through flexibility of the labour market and the economy's capacity to adapt to changes over time.
- (b) **Relevance to Sustainable/Unsustainable Development (theme/sub-theme):** There are large differences in non-agricultural wage employment between men and women, in particular in developing countries. This is the result of differences between male and female rates of participation in employment as well as in the kind of employment they participate in. As economies industrialise the employment in the non-agricultural sector increases and the women participation in non-agricultural wage employment becomes increasingly important.

In almost all regions of the world, women are disproportionately represented in labour markets. Gender inequality in labour markets is manifested in wage gaps, occupational segregation, higher relative unemployment rates and women's disproportionate representation in informal employment, particularly in agriculture. There are also substantial differences between men and women in the type and quality of their employment activities. An extremely high number of women are confined to "female jobs" -low-productivity jobs- with low status, often insecure, unsafe, and poorly paid. Looking specifically at non-agricultural wage employment, there exist significant differences between men and women, particularly in the rural areas of developing countries. Women are more likely than men to work for family subsistence in agriculture, where it is now recognised that they make vital contributions to both agricultural production and importantly, to food security. However, these activities do

not provide enough income to allow them to lift their families out of poverty let alone to fully integrate into the monetary economy.

Promoting gender equality and the empowerment of women thus eliminating all forms of gender-based discrimination in labour markets is essential to defeating poverty and fostering sustainable development. Policies aimed at eradicating the gender gap in education are crucial to allow women to develop the skills and competencies they need to better participate in the labour market and make their contribution to the global economy. Their increased role in turn will boost women's economic security that ultimately helps families out of poverty and hunger and leads to the improved health and education of their children that is fundamental for sustainable development.

**(c) International Conventions and Agreements:** On gender equality there are four key International Labour Organization Conventions: Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Workers with Family Responsibilities Convention, 1981 (No. 156) and the Maternity Protection Convention, 2000 (No. 183). A number of additional ILO Conventions also make reference to gender equity, labour statistics, full and productive employment issues, etc. (see: <http://www.ilo.org>).

**(d) International Targets/Recommended Standards:** Eliminate discriminatory practices in employment (Beijing), Promote gender equality and empower women (MDG Goal 3) and in parallel, making the goals of decent work for all central to national development (Ministerial Declaration, ECOSOC).

**(e) Links to other Indicators:** The indicator has close links with the unemployment-to-population ratio indicator because both deal with employment as a principal path out of poverty and generator of production. These factors are a pre-requisite for sustaining growth while reducing poverty and hunger, and underpin the potential to reach the other MDGs in universal primary education, better health care and disease control, and environmental sustainability.

### **3. METHODOLOGICAL DESCRIPTION**

**(a) Underlying Definitions and Concepts:**

*The share of women in wage employment in the non-agricultural sector* is the share of women workers in **wage employment** in the non-agricultural sector expressed as a percentage of total wage employment in that same sector.

The *non-agricultural sector* includes industry and services. 'Industry' includes mining and quarrying (including oil production), manufacturing, construction, electricity, gas, and water, corresponding to divisions 2-5 in the *International Standard Industrial Classification of All Economic Activities* (ISIC-Rev.2<sup>36</sup>) and to tabulation categories C-F (ISIC-Rev. 3<sup>37</sup>). 'Services' include wholesale and retail trade and restaurants and hotels; transport,

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<sup>36</sup> <http://laborsta.ilo.org/>

<sup>37</sup> idem

storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services, corresponding to divisions 6-9 (ISIC-Rev. 2) and to tabulation categories G-Q (ISIC-Rev. 3).

*Employment* refers to people above a certain age who worked or held a job during a specified reference period (according to the ILO *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment*,<sup>38</sup> adopted by the Thirteenth International Conference of Labour Statisticians (ICLS), October 1982). *Wage employment* refers only to wage earners and salaried employees, or "persons in paid employment jobs." Employees are typically remunerated by wages and salaries, but may be paid by commission from sales, piece-rates, bonuses or payments in kind such as food, housing, training, etc. These persons are in wage employment as opposed to self-employment – that is employers, own-account workers, members of producers' cooperatives or contributing family workers. (The different statuses in employment are defined according to the ILO *Resolution concerning the International Classification of Status in Employment (ICSE)*,<sup>39</sup> adopted by the 15th ICLS (1993).

**(b) Measurement Methods:** The indicator is calculated by dividing the number of women in non-agricultural paid employment by the total number of persons in paid employment in the non-agricultural sector, and multiplying it by 100. This is the proportion of women in "paid employment jobs" (in other words "women employees") in the non-agricultural sector.

**(c) Limitations of the Indicator:** The indicator has a number of limitations, the main one being its volume factor which does not fully reflect the quality of employment, especially the economic benefits of such employment. Some examples of limitations are the following:

(i) In many countries (especially developing countries), non-agricultural wage employment represents only a small portion of total employment. As a result the contribution of women to the national economy is underestimated and therefore misrepresented.

(ii) The indicator is difficult to interpret, unless additional information is available on the share of women in total employment, which would allow an assessment to be made of whether women are under- or over-represented in non-agricultural wage employment.

(iii) The indicator does not reveal any differences in the quality of the different types of non-agricultural wage employment (that apply also to all jobs), regarding earnings, conditions of work, or the legal and social protection, which they offer. The indicator cannot reflect whether women are able to reap the economic benefits of such employment either.

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<sup>38</sup> <http://www.ilo.org/public/english/bureau/stat/download/res/ecacpop.pdf> and ILO 2000: Current international recommendations on labour statistics, 2000 edition (Geneva).

<sup>39</sup> <http://www.ilo.org/public/english/bureau/stat/download/res/icse.pdf> and ILO 2000: Current international recommendations on labour statistics, 2000 edition (Geneva).

**(d) Status of the Methodology:**

The ILO *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment*, was adopted by the Thirteenth International Conference of Labour Statisticians in Geneva in 1982.

Detailed guidelines on the application of the standards embodied in the resolution were published in *Surveys of economically active population, employment, unemployment and underemployment: An ILO Manual on Concepts and Methods*, ILO, 1990.

A Checklist of Good Practices for Mainstreaming Gender in Labour Statistics was adopted by the 17th International Conference of Labour Statisticians in 2003.

**(e) Alternative Definitions/Indicators:**

- Employment by sector (Given the importance of agriculture in most developing countries, emphasis was placed on the distinction between agriculture on the one hand and other branches of economic activity on the other).
- Employment by status in employment> Self-employment (In developing countries, a large proportion of the work force is self-employed, that not only encompasses employers (majority male) but includes contributing (unpaid) family workers, many of whom are female).
- Employment by occupation> (The share of women in managerial positions in all countries is very low)
- Employment in the informal economy> (In developing countries, the informal economy represents the main source of employment creation and income generation for the labour force in urban as well as rural areas).

Alternatively, all above-mentioned indicators can be combined together in a single composite indicator that covers all types of employment (both the wage and self employment in agriculture/non-agriculture and in the formal/informal economy).

**4. ASSESSMENT OF DATA**

**(a) Data Needed to Compile the Indicator:** Statistics of paid employment by economic activity, disaggregated by sex.

**(b) National and International Data Availability and Sources:**

**Data collection**

Comprehensive, detailed statistics on total and paid employment disaggregated by sex, by branch of economic activity, occupation and status in employment are collected annually through a specialised ILO questionnaire on labour statistics sent directly to the official national sources in all member States and Territories. Statistics are also gleaned from national publications and websites.

These statistics are published, respectively, in the ILO *Yearbook of Labour Statistics* and the *Bulletin of Labour Statistics*, and are also available online in <http://laborsta.ilo.org/>.

To improve country coverage a special action inquiry to national statistical offices was sent out in 2003. It consisted of a questionnaire requesting data, as from 1990, on Paid Employment in Non Agricultural Activities, and Unemployment by Age Group, for totals, women and men separately, from all available data sources (i.e. labour force survey, establishment survey, administrative records, official estimates).

A number of validation and consistency tests are executed on the data received. These include qualitative as well as quantitative checks. All departures from the international standards or classifications are indicated with footnotes. Where necessary, countries are contacted for further clarifications.

The annual questionnaire is pre-filled with the statistics provided in the previous years (maximum of ten), so that when countries update their series they also have the possibility to review, verify and, where needed, modify the data previously provided.

### **Sources**

National estimates are based on information from different sources, namely population censuses, labour force/household surveys, establishment surveys, administrative sources (mostly social security records) and official estimates that are based on results from several sources. Each source has its own characteristics and provides certain types of data. The first two and the last source may cover the whole relevant population. Results from establishment surveys and administrative records are likely to cover only large private and public sector employers, in particular in the developing countries.

Depending on the source, the measurement and coverage may differ between countries and within countries over time.

### **Availability of data**

Only about half of the countries provide the data necessary for estimating the indicator with more or less regular frequency.

Not all available data perfectly match the indicator as defined above. Where paid employment data do not exist, a proxy series (total employment rather than paid employment) has been used. This is on the expectation that the share of women for total employment is not much different from that for paid employment.

(c) **Data References:** Data are published by the ILO in the *Yearbook of Labour Statistics*. The statistics are also available on Internet at: <http://laborsta.ilo.org>.

## **5. AGENCIES INVOLVED IN THE DEVELOPMENT OF THE INDICATOR**

(a) **Lead Agency:** The lead agency is the International Labour Office (ILO). The contact point is the Bureau of Statistics; e-mail: [stat@ilo.org](mailto:stat@ilo.org); tel: (+41) 22799 8632; fax: (+41) 22799 6957.

(b) **Other Contributing Organizations:** UNDAW and UNIFEM are contributing agencies and provide comments on the analysis and interpretation of the MDG Goal 3.

## **6. REFERENCES**

**(a) Readings:** The full text of the ILO resolution listed in section 3e above can be found in *Current International Recommendations on Labour Statistics* (ILO, Geneva, 2000), ; also available on the Bureau of Statistics' website at: <http://www.ilo.org/stat>. Further information can be obtained from another ILO publication: *Surveys of economically active population, employment, unemployment and underemployment: An ILO Manual on Concepts and Methods*, (ILO, Geneva 1990).

National methodologies are described in: *Sources and Methods: Labour Statistics; Vol. 2 Employment, Wages, Hours of Work and Labour Cost (Establishment Surveys)* (second edition, ILO, Geneva 1995); Vol. 3 *Economically Active Population, Employment, Unemployment and Hours of Work (Household Surveys)* Vol. 4 *Employment, Unemployment, Wages and Hours of Work (Administrative Records and Related Sources)* (second edition, ILO, Geneva 2004), and Vol.5 *Total and Economically Active Population, Employment and Unemployment (Population Censuses)*. All volumes are also available on-line at <http://laborsta.ilo.org>.

**(b) Internet sites:** The general website of the International Labour Office, Bureau of Statistics: <http://www.ilo.org/stat>; and the LABORSTA database on labour statistics available at: <http://laborsta.ilo.org>.