TECHNICAL NOTES ON USE OF THE EMPLOYMENT MODULE

This note seeks to provide some technical guidance regarding use of the employment module in survey work. Please note that a further treatment of the motivation underlying the selection of the indicators and their past use is provided in Lugo (2007). This note seeks to address the following issues involved in implementing the survey:
1. Implementation of the employment module
2. Potential incorporation of empowerment and satisfaction questions
3. Statistical analysis of employment data

1. Implementation of the employment module

Please note first and foremost that the questions in this module are designed to build upon a set of standard employment questions that are typically asked in household surveys (for an example see the most recent LSMS surveys for Ghana or Nicaragua). These standard questions include:

- Question determining employment status (employed/unemployed/inactive)
- Respondents' branch of economic activity (sector & occupation)
- Questions to determine formal vs. informal employment
- Hours worked
- Question about job search such as "Have you made any effort within the past … months to find work, established a business or an enterprise?"

Further, note that several of the concepts included in this module may seem quite challenging, and so it is important for enumerators to take time to understand them fully. We have tried to use as clear language as possible but it may need to be simplified – while retaining the meaning – in order to enhance respondent understanding. The survey implementer ought to consider, ideally on the basis of careful pretesting, whether the text is appropriate or whether it ought to be amended.

2. Potential incorporation of empowerment and satisfaction questions

The survey implementor interested in empowerment will want to incorporate the domain-specific questions pertaining to employment in this module (the question on household decision-making and on relative autonomy). The Psychological/Subjective wellbeing (PSWB) module asks about satisfaction with work (alongside several other domains). If the survey implementor is not including the PSWB module, they might wish to ask the question about satisfaction with work in the Employment module instead.

3. Analysis

Analysis of employment data could serve to 1) validate the questions; 2) describe levels of and the distribution of employment within the sample, with particular attention as to the quality of employment; 3) generate a composite measure of employment quality and

4) analyse the relationship between employment, other standard dimensions and other Missing Dimensions.

Validation of the questions is an important first step as some of these question – particularly those relating to occupational safety and to perceptions of employment – have not been fielded extensively in nationally representative household surveys. The questions require external validation through qualitative work (to ensure that the questions are in fact seeking the concepts they purport to measure) and internal validation through statistical work.

In terms of the quantitative analysis, the analyst should begin with internal validity testing. In the first instance, this would involve looking at the frequency of responses for each question to ensure the response structure was appropriate and intelligible. They might then consider factor analysis of multi-item questions to determine whether the response structure is sound – i.e., if the responses across domains are loading upon the same factors as the response structure would predict. Simple correlation analysis could be used to determine whether items that purport to measure the same or similar concepts in fact relate to one another.

Descriptive analysis might consider the distribution of various indicators of employment by subgroup (according to gender, ethnicity, religion, region, education, income etc.). The analyst might wish to create a composite indicator of employment quality through factor analysis or by simply constructing an average. If the latter, the analyst might weight the indicators equally or assign more weight to some than to others. To relate the employment indicators (or composite) to other dimensions, the analyst might opt for multivariate regression analysis (to study correlates/determinants of employment quality) or to consider how employment quality contributes to income poverty or other dimensions of illbeing. Finally the analyst might want to use employment quality along other dimensions to construct a multidimensional poverty index. Many such indices exist, however Alkire and Foster (2008) in OPHI Working Paper no. 7 provide a simple and intuitive set of indices that provide a multidimensional analogy to the unidimensional FGT measures.

KEY REFERENCES

www.ophi.org - contains full Employment module, detailed working papers on the Module (and other Missing Dimensions), and on the Alkire/Foster multidimensional poverty indices.

Alkire, S. and Foster, J. (2008), *Counting and Multidimensional Poverty.* OPHI working Paper no. 7, available at http://www.ophi.org.uk/pubs/OPHI_WP7.pdf.

Lugo, M. (2007), "Employment: A Proposal for Internationally Comparable Indicators", *Oxford Development Studies* 35:4, December. Also available at : http://www.ophi.org.uk/pubs/Lugo_Employment_FINAL.pdf.