

# Labour Market Information System LMIS )for determining the demand for employable skills

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# Outline

- From manpower planning to labour market analysis
- Labour Market Information and Analysis in Africa: Situation of The Gambia
- Establishing a national LMIS: Conceptual, methodological and practical issues and challenges
- Guidelines for developing and operating a functional LMIS
- Capacity development response and recommendations for strengthening LMIS

# From *Manpower Planning* to *Labour Market Analysis*

- Characteristics and drawbacks of *traditional forecasting techniques* for skills determination and development
- Need for an approach to skills determination that better reflects change and complexity of socio-economic environment, labour market dynamism and occupational change, and investment in skills training in response to market opportunities – *Labour market analysis*
- Relationship between *higher education / vocational training* and *labour market outcomes*

# **Labour Market Information and Analysis: The Gambian Economy**

- Population and labour force
- Employment: formal and informal; urban and rural
- Unemployment and underemployment
- Skills determination: gaps and labour market interventions
- Skills development: education and training systems

# Labour Market Profiles: The Gambia

- ***Labour force participation rate*** (sex, age, rural-urban)
- ***Labour supply*** (educational attainment, skill levels and categories)
- ***Labour demand*** (private-public, economic sector, occupational skill, employment-in-growth)
- ***Employment*** (age, sex, formal and informal, sector)
- **Unemployment** (age, sex, rural-urban, districts/regions)
- ***Underemployment*** (productivity, working time, earnings)
- ***Skills deficit and need*** (formal-informal, economic sector, occupation, socio-economic group)

# Establishing a national LMIS: Guidelines

- Definition of LMI and LMIS
- Key concepts: statistical system and institutional framework
- Methodology: basic principles for collection and analysis of LM data resources
- Producers and users of LMI; inter-relationships
- Data architecture: sources and typology, LM indicators,
- Institutional arrangements for producing and using data; managing LMIS – data processing and dissemination, coordination, harmonization

# Labour Market Information (LMI): Definition

- “Any information concerning the size and composition of the *labour market* (labour supply and demand and their interaction), or an part of the labour market, the way it or any part of it functions, its problems (in terms of entering the market and maintaining a balance between supply and demand in the market), the opportunities which may be available to it, and employment-related intentions or aspirations of those who are part of it “(ILO study)
- Mechanisms and arrangements for the collection, analysis and dissemination of labour statistics and information constitute a “***Labour Market Information System***” (***LMIS***)
- Central administration for monitoring and reporting on labour market trends is a “***Labour Market Observatory***”

# Labour Market Information System (LMIS)

- “A set of procedures and mechanisms for obtaining and analysing data on the labour market, including institutional arrangements for disseminating and using labour statistics and information”
- Functional LMIS provides information about: size and composition of labour force; how people work or search for work; education and training systems; school-to-work transition; available jobs; how to recruit workers; wages and earnings, etc.
- Monitoring and reporting on changes in LM



# Functioning of LMIS

- Providing information on the **balance** of the supply of labour and the demand for labour; current labour market situation (**stock**) and developments (**trend**) over time.
- **Labour market imperfections** (real world situation): imbalances in labour market due to frictions, distortions and obstructions which prevent perfect match between labour supply and demand
- **Distortions**: discrimination in accessing employment and training opportunities; wrong skills base; excessive regulation of LM

# Labour Market Institutions

- **Central statistical agency**
- **National training authority**
- **Labour administration (job placement, working conditions and labour standards)**
- **Public service commission (personnel management)**
- **Planning commission/ministry**
- **Sectoral ministries (education, agriculture, tourism, trade, etc.)**
- **Private sector: Chamber of commerce and industry**
- **Trade union organisations**
- **Interest groups: youth, women, migrants**
- **NGOs**

# Producers and Users of LMI

- ***Central statistical bureau*** (data collection and processing)
- ***Planning ministry*** (policy formulation and national development planning)
- ***National training authority*** (regulating and validating provision of training); education ministry
- ***Private sector employers*** and investors
- **School leavers** and ***job-seekers***; ***trade unions***
- **Researchers** and analysts
- ***UN agencies and development partners***
- **Media** and the public (***interest groups***)

# Data Architecture for LMIS

- **Data sources:** population census; labour force and household surveys; establishment and enterprise surveys; administrative records; laws and regulations; reports and studies
- **Types of data:** labour supply statistics (employment status, skills profile, occupation, education and training); labour demand statistics (skills and employment needs by sector, job placements, wages and earnings)
- **Labour Market Indicators:** measurement and analysis of LM dynamics (employment; income; education; social protection; decent work)

# Capacity development response for strengthening LMIS

- **Improve data resources and statistical infrastructure; computerization of LMIS**
- **Strengthen labour market institutions and related arrangements for managing LMIS**
- **Develop technical capacity to operate LMIS**
- **Improve communication between producers and users of LMI stakeholders, and facilitate dissemination of information**
- **Allocate resources (financial, human and equipment) for long-term sustainability of LMIS**
- **Develop LM monitoring strategy**
- **Adapt LMIS structure to need of each country**