



**State of Palestine
Palestinian Central Bureau of Statistics**

**Labor Force Survey
October- December, 2021**

User's Guide

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Caution for Users

Revision to Palestine's labour underutilization statistics

Following ILO technical assessment mission in 2018, PCBS implemented revisions to the concepts and definitions underpinning labour underutilization statistics, which PCBS will release as of the first quarter of 2019. These methodological changes were carried out in order to fully bring PCBS statistics in line with the latest international standards pertaining to labour underutilization statistics, established by the 19th International Conference of Labour Statisticians (ICLS, 2013). The following indicators were recommended by the 19th ICLS for measuring labour underutilization comprehensively:

- (1) Unemployment rate (LU1); the concept of the unemployed was narrowed to include only those who didn't work during the reference period, but sought seriously for work and have the willing and ability to work. People who didn't seek work during the last four weeks preceding the interview were excluded from the definition because they will start work in the near future (Waiting employers reply, have already made arrangements for self-employed, who are waiting for work permits to work in Israel and the Israeli settlements, or have already found work to start later), while they were previously included in the definition of the unemployed.
- (2) Combined rate of revised unemployment and underemployment (LU2);
- (3) Combined rate of revised unemployment and potential labour force (LU3), including discouraged jobseekers; and
- (4) Composite measure of labour underutilization (LU4); refers to the mismatches between labour supply and demand which include: 1. Unemployment rate 2. Time-related underemployment. 3. Potential labour force.

By adopting the latest standards and the full set of labour underutilization indicators, PCBS statistics will provide a more detailed picture of the different forms of labour underutilization in the Palestinian labour market. One important implication is that PCBS is now applying the strict unemployment measure called for in the 19th ICLS, 2013 resolution (LU1). Discouraged jobseekers – those persons classified as: (1) available for work; (2) not seeking work currently; and (3) having sought work during the past six months – are no longer included in PCBS unemployment estimates. This caused lower estimated unemployment and labour force participation rates. The other measures of labour underutilization listed above will be calculated and disseminated by PCBS alongside the strict LU1 unemployment rate in order to provide a more comprehensive view of different forms of labour underutilization in Palestine.

For the West Bank, adoption of the strict unemployment rate (LU1) measure caused only a small change in the unemployment estimate, while for Gaza Strip, there is a much larger change. The reason for the large difference in Gaza Strip is that discouragement is widespread – a large number of persons who were previously classified as unemployed are actually discouraged jobseekers. These individuals were previously seeking work and are still available to work, but are no longer actively seeking for a job. Large numbers of discouraged jobseekers in conjunction with a high rate of unemployment reflects the severe labour market distress in Gaza Strip. With little hope to find employment, many jobseekers are giving up on their search for work.

Concepts, terms and definitions

Population of Working Age:

All persons aged 15 years and above.

Reference Period:

The week ending on Friday preceding the interviewer's visit to the household.

Labour Force:

All persons aged 15 years and above who are either employed or unemployed.

Employed:

Persons aged 15 years and over who were at work at least one hour during the reference period, or who were not at work during the reference period, but held a job or owned business from which they were temporarily absent (because of illness, vacation, temporarily stoppage, or any other reason) he\ she was employed, unpaid family member or other. The employed person is normally classified in one of two categories according to the number of weekly work hours, i.e. 1-14 work hours and 15 work hours and above. Also the absence due to sick leave, vacation, temporarily stoppage, or any other reason. Employed persons are classified according to employment status as follows:

1. Employer
2. Self-employed
3. Paid- employed (wage employee)
4. Unpaid family member

Time related underemployment:

All persons who were employed during a short reference period and the total actual hours worked in all jobs were less than 35 hours and they wanted to work additional hours, who were available to work additional hours if they given an opportunity for additional work.

Unemployed (Revised ILO Standards ICLS-19th):

Unemployed persons are those individuals aged 15 years and above who did not work at all during the reference period, who were not absent from a job, were available for work and actively seeking a job during the Last four weeks by one of the following methods news paper, registered at employment office, ask friends or relatives or any other method, where Discouraged jobseekers – those persons classified as: (1) available for work; (2) not currently seeking work; and (3) having sought work during the past six months are excluded.

Discouraged jobseekers:

All persons aged 15 years and above who during the reference period were currently available but did not carry out activities to seek employment in the last four weeks because they sought for employment in the last six months and were discouraged to finding a job.

Potential labour force:

All persons aged 15 years and above who during the reference period were neither in employment nor in unemployment were considered as either:

1. Unavailable jobseekers:
All persons aged 15 years and above who during the reference period carried out activities to seek employment were not currently available.
2. Available potential jobseekers:
All persons aged 15 years and above who during the reference period were currently available but did not carry out activities to seek employment.
3. Willing potential jobseekers:

All persons aged 15 years and above who during the reference period did not carry out activities to seek employment and were not currently available but want employment.

Labour underutilization:

Refers to mismatches between labour supply and demand which include:

1. Unemployment rate
2. Time- related underemployment
3. Potential labour force

Individuals Outside Labour Force:

The individuals not economically active comprises all persons 15 years and above, who were neither employed nor unemployed accordingly to the definitions over. Because they don't have any desire to work or because of the availability of another source of income.

Unpaid trainee:

The person who performed any unpaid work to produce goods and services for others, in order to acquire experience or skills in the workplace in order to be able to find jobs, transportation or allowance or meals or gifts that offered to trainee are not considered as wage

Own-use production:

The person who performed any activity to produce goods or provide services for own final consumption or for his/ her family consumption, including producing or processing for storage agricultural, fishing, hunting and gathering products, and manufacturing household goods (clothing, food, and furniture).

Volunteer work:

The person in volunteer work are who performed any unpaid activity, non compulsory activity to produce goods or provide services for others, it includes work done through, or for, self help, mutual aid or community based groups of which volunteer is a member, which transportation allowance or meals or gifts that offered to volunteer are not considered as wage, and unpaid work required as part of education or training programmers are excluded from volunteer work

Methodology and Data Quality

The Objective of the Survey

The main objective of collecting data on the labour force and its components, including employment, unemployment and underemployment, is to provide basic information on the size and structure of the Palestinian labour force. Data collected at different points in time provide a basis for monitoring current trends and changes in the labour market and in the employment situation. These data, supported with information on other aspects of the economy, provide a basis for the evaluation and analysis of macro-economic policies.

Questionnaire Design

One of the main survey tools is the questionnaire, the survey questionnaire was designed according to the International Labour Organization (ILO) recommendations. The questionnaire includes four main parts:

1. Identification Data:

The main objective for this part is to record the necessary information to identify the household, such as, cluster code, sector, type of locality, cell, housing number and the cell code.

2. Quality Control:

This part involves groups of controlling standards to monitor the field and office operation, to keep in order the sequence of questionnaire stages (data collection, field and office coding, data entry, editing after entry and store the data).

3. Household Roster:

This part involves demographic characteristics about the household, like number of persons in the household, date of birth, sex, educational level...etc.

4. Employment Part:

This part involves the major research indicators, where one questionnaire had been answered by every 10 years and over household member, to be able to explore their labour force status and recognize their major characteristics toward employment status, economic activity, occupation, place of work, and other employment indicators.

Sampling Frame and Target Population:

Target Population

It consists of all individuals aged 10 years and above normally residing in their households in Palestine during second quarter 2021.

Sampling Frame

The sampling frame consists of the master sample, which was updated in 2017: each enumeration area consists of buildings and housing units with an average of about 150 households. we used it for the labor force survey sample in the fourth quarter 2021 and these units were used as primary sampling units (PSUs).

Sample size

The sample size in the fourth quarter 2021 was 8,040 households.

Sampling Design

The sample is two stage stratified cluster sample with two stages :

First stage: we select selection a stratified sample of 536 EA with (pps) method.

Second stage: we select a systematic random of 15 households from each enumeration area selected in the first stage.

Sample strata:

The population was divided by:

- 1– Governorate (17 governorates, where Jerusalem was considered as two statistical areas)
- 2- Type of Locality (urban, rural, refugee camps).

Sample Rotation:

Each round of the Labor Force Survey covers all of the 536 master sample enumeration areas. Basically, the areas remain fixed over time, but households in 50% of the EAs were replaced in each round. The same households remain in the sample for two consecutive rounds, left for the next two rounds, then selected for the sample for another two consecutive rounds before being dropped from the sample. An overlap of 50% is then achieved between both consecutive rounds and between consecutive years (making the sample efficient for monitoring purposes).

Weights Calculation of households:

The weight of statistical units (sampling units) in the sample is defined as the mathematical inverse of the selection probability where the sample of the survey is a two-stage stratified cluster sample. Thus, in the first stage we calculate the weight of enumeration areas depending on the probability of each enumeration area (pps sample). In the second stage we calculate the weight of households in each enumeration area. Initial household weights resulted from the product of the weight of the first stage and the weight of the second stage. Final household weights were obtained after adjustment of initial weights with the household estimates in the middle of 2021 with regard to design strata (governorate, locality type).

For individuals over 10 years, we added the final household weight for each person, then adjusted the initial individual weight with the estimates of individuals of the middle of the fourth quarter 2021 according to region (West Bank, Gaza Strip), sex (male, female), five – year age groups (15 groups), then we obtained the final adjusted individual weight.

Reference Week:

The week ending on Friday preceding the interviewer's visit to the household.

Data Collection

The most important stages of the survey to collect the required data from the primary sources are field operations. Therefore, to ensure the presence of the ingredients for success in this stage of the fundamental issues that have been working in details. This has included the provision of all technical and administrative requirements, including the recruitment, training and the provision of material supplies needed to perform the work at the best image.

Starting March 2020, and due to the COVID-19 pandemic outbreak and the home quarantine imposed by the government, the personal interview was replaced by the phone interview for households whose phone numbers are available from previous quarters, while households whose phone numbers are not available were interviewed face to face.

Data Quality

Concept of data quality covers many aspects, starting from the initial planning of the survey to the dissemination of the results and how well users understand and use the data. There are seven dimensions of the statistical quality: relevance, accuracy, timeliness, accessibility, comparability, coherence, and completeness.

Data Accuracy

Sampling Errors

Data of this survey may be affected by sampling errors due to use of a sample and not a complete enumeration. Therefore, certain differences can be expected in comparison with the real values obtained through censuses. Variances were calculated for the most important indicators: the variance table is attached with the final report. There is no problem in disseminating results at national or governorate level for the West Bank and Gaza Strip.

Non-Sampling Errors

Non-statistical errors are probable in all stages of the project, during data collection or processing. This is referred to as non-response errors, response errors, interviewing errors, and data entry errors. To avoid errors and reduce their effects, great efforts were made to train the fieldworkers intensively. They were trained on how to carry out the interview, what to discuss and what to avoid, carrying out a pilot survey, as well as practical and theoretical training during the training course.

Non-sampling errors can occur at the various stages of survey implementation whether in data collection or in data processing. They are generally difficult to be evaluated statistically. They cover a wide range of errors, including errors resulting from non-response, sampling frame coverage, coding and classification, data processing, and survey response (both respondent and interviewer-related). The use of effective training and supervision and the careful design of questions have direct bearing on limiting the magnitude of non-sampling errors, and hence enhancing the quality of the resulting data.

The implementation of the survey encountered non-response where the case (other) and (household was not present at home) during the fieldwork visit become the high percentage of the non response cases. The total non-response rate reached 15.0% which is relatively low once compared to the household surveys conducted by PCBS , The refusal rate reached .22% which is very low percentage compared to the household surveys conducted by PCBS, and the reason is the short and clear questionnaire.

Response Rates:

The survey sample consists of about 8,040 households of which 6,398 households completed the interview; whereas 4,142 households from the West Bank and 2,256 households in Gaza Strip. Weights were modified to account for non-response rate. The response rate in the West Bank reached 84.1% while it reached 95.1%. in Gaza Strip.

Non-response cases and over coverage

Non-response cases and over coverage	No. of cases
Household completed	6,398
Non-response cases	
Traveling households	50
No one at home	684
Refused to cooperate	179
No available information	24
Other	193
Over coverage cases	
Unit does not exist	68
Vacant Housing unit	444
Total sample size	8,040

Response and non-response formulas:

$$\begin{aligned} \text{Percentage of over coverage errors} &= \frac{\text{Total cases of over coverage}}{\text{Number of cases in original sample}} \times 100\% \\ &= 6.4\% \end{aligned}$$

$$\begin{aligned} \text{Non response rate} &= \frac{\text{Total cases of non response}}{\text{Net Sample size}} \times 100\% \\ &= 15.0\% \end{aligned}$$

$$\begin{aligned} \text{Net sample} &= \text{Original sample} - \text{cases of over coverage} \\ \text{Response rate} &= 100\% - \text{non-response rate} \\ &= 85.0\% \end{aligned}$$

Treatment of non-response cases using weight adjustment

$$fg = \frac{\sum_{ng} wi - \sum_{o.c} wi}{\sum_{rg} wi}$$

Where

wi : the primary weight before adjustment for the household i

g : adjustment group by (governorate, locality type).

fg : weight adjustment factor for the group g .

$\sum_{ng} wi$: Total weights in group g

$\sum_{o.cg} wi$: Total weights of over coverage cases

$\sum_{rg} wi$: Total weights of response cases

We calculate fg for each group, and finally we obtain the final household weight ($w'i$) by using the following formula:

$$w'i = wi * fgi$$

Possibility of Comparison

In this section, comparison is made for a time series period and for sectors only, since there are no other sources for comparison. Results indicated that the percentage of the labor force participating in the fourth quarter of 2021 in the West Bank increased from 43.8% in the last quarter to 46.4% in the West Bank. While, the rate of labor force participation in the fourth quarter 2021 was 40.0% compared with 40.5% in the third quarter 2021 in Gaza Strip.

Results also indicated that the revised unemployment rate was 24.2% in Palestine in the fourth quarter 2021 compared with 27.3% in the third quarter 2021. Again, there is a difference between the West Bank and Gaza Strip at 13.2% in the West Bank and 44.7% in Gaza Strip in the fourth quarter 2021.

Quality Control Procedures

- Errors in data processing, such as coding and data entry. The data underwent checking and completion of missing information in the office and checks on logic were conducted on computer as well as manually, including call-backs if required.
- Response errors which resulted from misunderstanding of the questions or interviewers' bias in asking the questions and probing. Thorough training, supervision and various quality control checks were used to minimize bias resulting from these kinds of errors.

Technical Note

There is an important technical note which should be taken into consideration when reviewing this report, as follows:

- To calculate the nominal daily wages, exchange rates were used based on the time period in which the data were published.

Derived Variables

Based on the ILO recommendations, derived some indicators were based on the responses of the Labor Force Survey. These indicators clearly showed that the relationship of all individuals within the workforce (15 years and above) to the labor force.

The derived variables as Follows

Variable name	Value Label	Description
EMPCH	1. Full Employment 2. Unemployment 3. Out Labor Force	Labor Force Status (1)
INOUTLF	1. In labor Force 2. Out Labor Force	Labor Force Status (2)
timereLATED	1. Full Employment 2. Time Related Underemployment 3. Unemployment 4. Out Labor Force	Labor Force Status (3)
Districted unemployment rate	1. Unemployment 99. Employed or Outside Labour Force	LU1
Combined rate of time- related underemployment and unemployment	1. Unemployment and time related underemployment 99. Employed or Outside Labour Force	LU2
Combined rate of unemployment and potential labour force	1. Unemployment and Potential Labour Force 99. Outside Labour Force	LU3
Composite rate of labour underutilization	1. Unemployment, time related underemployment and Potential Labour Force 99. Outside Labour Force	LU4
WBGS	1. West Bank 2. Gaza Strip	Region
REASON	1. Old/ illness 2. Housekeeping 3. Studying or Training 4. Other	Reason
MARITALS	1. Never Married 2. Married 3. Other	Marital Status
PWORK	1. West Bank 2. Gaza Strip 3. Israel and Settlements 4. Other	Place of Work
EMPSTATS	1. Employer 2. Self Employed 3. Wage Employee 4. Unpaid Family Member	Employment Status

Variable name	Value Label	Description
INDUSTRY	1. Agriculture 2. Manufacturing 3. Construction 4. Commerce, Hotels and Restaurants 5. Transport, Storage and Communication 6. Services	Industry
OCCUPATI	1. Legislators, Senior Officials and Managers 2. Professionals, Technical, Associate and Clerks 3. Service, Shop and Market Workers 4. Skilled Agricultural & Fishery Workers 5. Craft and Related Trade Workers 6. Plant and Machine Operators and Assemblers 7. Elementary Occupations	Occupation

Data Processing

PCBS started collecting data since 1st quarter 2013 using the hand held devices in Palestine excluding Jerusalem in side borders (J1) and Gaza Strip, the program used in HHD called Sql Server and Microsoft. Net which was developed by General Directorate of Information Systems. By beginning of the year 2016 data were collected in the West Bank and the Gaza Strip using tablet excluding Jerusalem in side borders (J1).

In order to work in parallel with Jerusalem in side borders (J1), an office program was developed using the same techniques by using the same database for the tablets.