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Thematic Paper

Improvement of the Labour Force Survey in Thailand

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1. Introduction

It is generally recognized that labour statistics are important for development of a country. The statistics are essential for policy makers and practitioners as tools to identify and clarify the current situation of the country's labour market and to monitor progress in the effect of plan or policy formulations. Several strengths and weaknesses were identified at the outset of the Thai economic crisis in 1997. Labour statistics, in particular, have been used to:

- help measuring the impact of the crisis. For example, the unemployment statistics reported in the Labour Force Survey (LFS) have been used to detect those specific groups which have been adversely affected by the economic crisis;
- assist existing private enterprises to decide whether they should expand their investment in Thailand in the short-and long-run;
- help policy makers monitoring the competitiveness of the Thai labour in various sectors;
- help agencies concerned to prepare manpower to serve the needs of the country development;
- facilitate the comparison with the international labour statistics and case studies.

The existing labour statistics in Thailand are manifold but few are of a high quality. Labour data have been collected and interpreted to meet specific needs and without an overall coordinated plan on a regular frequency. Some agencies collect labour statistics for internal use only and have no intention of releasing the statistics to the public.

There are only two main agencies that produce labour statistics, the Ministry of Labour (MOL) and the National Statistical Office (NSO). Labour statistics from the MOL are compiled for its administrative purposes while the NSO collect statistics by sample surveys of households and establishments for government and public uses.

According to the ILO, excessive fragmentation of statistical information produced by several agencies has led to contradictory information. It is evident from the main users as well as the economists that the LFS has continued to be the most reliable information.

This paper shows how the NSO has developed its capacity for improving labour statistics using the recent improvements in the Thailand Labour Force Survey as an example.

2. The Labour Force Survey

2.1 Overview

In the current stage of national manpower development planning, the Labour Force Survey is best source of statistical data for the estimation of employment, unemployment and under employment levels. This survey has been regularly carried out by using international standards for concepts, definitions, classifications and methodology. Apart from this, the survey also gave more reliable labour statistics than other sources. In addition, it covered the wide range of population throughout the whole kingdom.

The LFS was carried out by the NSO for the first time in 1963. It has been one of the main tasks of the office. Since 1998, the survey has been conducted quarterly. The first round is held in February which corresponds to the non-agricultural or dry season. The second round is in May, normally considered as an intermediate period just before the

start of the rainy season and also the period when new graduates enter the labour market. The third round is in August, in the mid of the agricultural season. The fourth round is in November, the harvest season. Since 2001 up to the present, the LFS has been conducted monthly.

2.2 Strengths

As mentioned above, the LFS is the most reliable source of labour statistics which has various outstanding characteristics as follows:

1) Consistency

Since 1998, the NSO has released the LFS reports in respect of each of the four rounds a year. This makes the LFS report more useful in tracking the trend of employment during the year. This is particularly important during the economic crisis when employment is very volatile. The LFS results and quarterly GDP results are released at roughly the same time and this allows labour economists and interested persons to analyze the association between the two sets of data.

2) Coverage

The LFS has a full and comprehensive coverage of private households in Thailand. Only special groups such as the population living in institutions or the homeless are excluded from the scope of the survey. Therefore, the survey covers those employed in all types of employment, whether at home or in the informal sector, as well as all types of unemployment, whether registered with employment exchanges or not.

3) Timeliness

In order to satisfy the needs of the public, the LFS results are being released earlier as preliminary estimates based on a sub-sample of the complete data set. This sub-sample will be processed on a priority basis in advance of the remaining households and should allow the NSO to release such preliminary results within 2 months after the end of survey period.

4) Accuracy

The NSO is widely recognized as the most reliable source in collecting and processing statistical data. Concepts and methodologies, especially those of the LFS are regularly revised over time to ensure the validity of the data.

The LFS results are essential components of the labour market information system because the surveys have: a more comprehensive coverage than other sources, have been conducted regularly since 1963, and measure key concepts (such as employment and unemployment) using standard and relatively stable concepts.

2.3 Weaknesses

Even though, the LFS has the above-mentioned outstanding characteristics, but before beginning to improve the LFS (prior to 2002), it was found some weaknesses as follows:

1) Timeliness

Due to the limitation of existing resources, before 1998, data processing and preparation of the completed reports were quite delay. The time used for those operations about 8 months after the field survey completed. However, since 1999, the preliminary reports can be released within 2 months.

2) Centralized data processing

Data processing at the central office might lead to the delay in reporting the results. On the other hand provincial staff may have insufficient data processing experience. The NSO is aware of the problems and plans to develop capabilities of provincial staff in order to decentralize data processing to the regions.

3) Sampling design

The former sampling design has less effectiveness to measure the changes among quarters and years. The ILO has recommended the use of controlled Sample Rotation to minimize these problems.

3. Improvement

The NSO has improved the LFS consistently by considering the suggestions of the main users and labour statistics specialists. Particularly, during 1999-2001, the NSO cooperated with the ILO, with the financial support of the UNDP, to improve the LFS significantly. The main issues to be improved were as follows:

- (1) The concepts and definitions have been revised to be more accurate and comparable over time. They are standardized to compare across agencies and be compatible with international standards.
- (2) Data processing has been decentralized to the regions, the data processing time has been decreased and the time in preparing the report has been reduced. The timeliness and value of the results have been improved in order to satisfy the needs of government, other users and the public. The LFS results are now released at regional level and whole kingdom within 45 days after the end of survey period.
- (3) According to the increasing demand on labour statistics for monitoring the economic situation after the economic crisis in the mid of 1997, the NSO increased the survey frequency from quarterly to monthly since 2001. The sample size of each quarter was separated into monthly components, and quarterly results are presented by combining survey data for 3 months.
- (4) Controlled sample rotation has been introduced since 2002 in order to economize the budget on data collection and increase the quality of estimators for measuring the changes among quarters and years.

4. Conclusion

Although the increased statistical capacity of the NSO has been used to develop the LFS, the NSO plans to develop the survey continuously in coordination with the main users. In the future, the NSO will allow user access to the LFS Data Base through the internet.

Moreover, the NSO is providing training courses on labour statistics for users, especially for government agencies concerned, and training on conducting the LFS for neighbouring countries, such as Lao People's Democratic Republic, Cambodia and Vietnam.

The NSO also provided training on the conduct of monthly LFS for the officials from Malaysia, which plans to conduct monthly surveys from January 2004.