State of Palestine
Palestinian Central Bureau of Statistics

Labor Force Survey
(April-June, 2017)

User's Guide

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Concepts and Definitions

This chapter presents the main concepts and definitions used in the survey. These concepts are based on the international standards taking into account the Palestinian labour market's circumstances.

Household:
One person or a group of persons with or without a household relationship, who live in the same housing unit, share meals and make joint provision of food and other essentials of living.

Population of Working Age:
All persons aged 15 years and above.

Work:
All activities performed by persons in order to gain or wage either monthly wage, weekly, daily, on piece for profit or family gain, in cash or in kind. One hour or more of such activity constitutes work. Work also includes unpaid activity on a family farm or business.

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 considered employed from 1-14 hours. Employed persons are classified according to employment status as follows:

 1. Employer:
A person who work in an establishment that is totally or partially belonging to him\her and do hires or supervises the work of one or more waged employees. This includes persons operating their project or contracting companies provided they employ a minimum of one waged employee. Shareholders are not considered employers even if they are working in it.

 2. Self-employed
A person who work in an establishment that is totally or partially belonging to him\her (partner) and do not hires any wage employees. This includes self employed who work to own selves outside establishments.

 3. Paid-employed (wage employee):
A person who works for a public or private employer or under it's supervision and receives remuneration in wage, salary, commission, tips, piece-rates or pay in kind … etc. This item includes persons employed in governmental, nongovernmental and private institutions along with those employed in a household enterprise in return for a specific remuneration.

 4. Unpaid family member:
A person who works without pay in an economic enterprise operated by a related person living in the same household.

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 (According to the ILO Standards):
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.

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

Main Job:
The job at which the person usually works the most hours in his\her main job or the most frequently in the recent months. If a person usually works the same number of hours at two jobs, the "main" job is the job at which the person has been employed the longest period.

Occupation:
Occupation refers to the kind of work done during the reference period by the employed person, or the kind of work done previously if unemployed, irrespective of the economic activity or the employment status of the person. Occupations are grouped together mainly on the basis of the similarity of skills required to fulfill the tasks and duties of the job.

Main Economic Activity:
Is the main work of the enterprise based on the (ISIC Rev4) and that contribute by the large proportion of the value added whenever more than one activity exist in the enterprise.

Absent from Usual Work:
All those who were absent from their usual work during the reference week, due to illness, holiday, strike, curfew, lock-out, temporary work stoppage, or due to some other reasons.

Seeking Work:
Seeking work is defined as having taken specific steps in the reference week to find paid employment or self-employment. Job seekers are classified into:

1. Available for work: A person ready to work if he\she is offered any job, and there is no reason preventing him\her from accepting such a job although he\she did nothing to get a job.
2. Actively seeking work: A person who is willing to work and is actively seeking work through reading newspaper advertisement, asking friends, registration at the labour exchange offices, or asking employers.

Persons Outside Labour Force:
The population not economically active comprises all persons 15 years and over, who were neither employed nor unemployed accordingly to the definitions above. Classifies persons outside labour force by reason in the following categories:

- **Student** :The individual who is regulated in a regular study in order to have a specific qualification and is not engaged to any work during the reference period, housekeeping, hobbies are not included within the work definition.

- **Housekeeping:** The individual (male or female) who are not worked and not regulated in a regular study and worked at home in order to serve the household and does not include the paid housekeeping service for others, as this type of service is within the work definition.

- **Abstinent from work**: Individual who is 15 years and Above but not engaged to any type of work during the reference period and do not looking for work and so is not available to work and not attend t regular study in order to obtain a scientific qualification.

- **Guest** :The individual who live in a particular institution such as prisons, clinics, nursing homes and such as.

- **Old, Illness:** The individual who cannot practice any kind of work because of chronic illness or disability or because of old age.

- **Retired**: The individual who does not practice any kind of work because of availability of a revenue or receiving a pension.

Years of Schooling:
For persons currently attending, attended and left, or successfully graduated, reference shall be made to the successfully completed formal educational years (completed years.) It neither includes drop out years, failure years nor on – going educational year. Educational training courses are not included among the years of regular study.

Worked Hours:
Time spent by employed person in his/ her main occupation .Measured by two ways:

A. Normal hours work: Total number of hours in the permanent or temporarily job which worked by employed usually.

B. Actually worked hours: Total number of hours actually worked during the reference period as well as overtime and time spent at the place of work on activities such as preparation of the workplace. Leaves meal breaks and time spent on travel from home to work and vice versa are excluded from work hours.

Monthly Work Days:
Number of days at work during the month, excluding week-ends, holidays, sick and other paid or unpaid leaves. One hour of work in a given day is considered as one work-day.

Daily Wage:
Cash net wage paid to the wage employee from the employer. Wages received in different currencies are converted into New Israeli Shekels according to the exchange rate in the survey period

Abbreviations:
PSUs: Primary Sampling Units
SPSS: Statistical Package for Social Sciences
SAS: Statistical Analysis System
EAs: Enumeration Areas
NIS: New Israeli Shekel

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 older normally residing in their households in Palestine during the second quarter 2017.

Sampling Frame
The sampling frame consists of the master sample, which was updated in 2011: each enumeration area consists of buildings and housing units with an average of about 124 households. The master sample consists of 596 enumeration areas; we used 493 enumeration areas as a framework for the labor force survey sample in the second quarter 2017 and these units were used as primary sampling units (PSUs).

Sample size
The sample size in the second quarter 2017 was 7,587 households.

Sampling Design

The sample is two stage stratified cluster sample with two stages :
First stage: we select a systematic random sample of 493 enumeration areas for the whole round ,and we excluded the enumeration areas which its sizes less than 40 households.
Second stage: we select a systematic random of 16 households of the enumeration areas which its size is 80 household and over and the enumeration areas which its size is less than 80 households we select systematic random of 8 households.

Sample strata:

The population was divided by:
1- Governorates
2- Type of Locality (urban, rural, refugee camps).

Sample Rotation:

Each round of the Labor Force Survey covers all of the 493 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 (a systematic random 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 of second quarter 2017 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 second quarter 2017 according to region (West Bank, Gaza Strip), sex (male, female), five – year age groups (14 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.

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 (household was not present at home) during the fieldwork visit and the case (housing unit is vacant) become the high percentage of the non response cases. The total non-response rate reached 14.3% which is very low once compared to the household surveys conducted by PCBS , The refusal rate reached 2.7% 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 7,587 households, of which 5,796 households completed the interview: 3,679 households from the West Bank and 2,117 households in Gaza Strip. Weights were modified to account for the non-response rate.

Non-response cases and over coverage

Non-response cases and over coverage	No. of cases
Household completed	5,796
Non-response cases	
Traveling households	95
No one at home	472
Refused to cooperate	207
No available information	19
Other	178
Over coverage cases	
Unit does not exist	162
Vacant Housing unit	658
Total sample size	**7,587**

Response and non-response formulas:

Percentage of over coverage errors = $\dfrac{\text{Total cases of over coverage}}{\text{Number of cases in original sample}} \times 100\%$

$= 10.8\%$

Non response rate = $\dfrac{\text{Total cases of non response}}{\text{Net Sample size}} \times 100\%$

$= 14.3\%$

Net sample = Original sample – cases of over coverage
Response rate = 100% - non-response rate
$= 85.7\%$

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 final 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 rate of labor force participation in the second quarter 2017 was 46.0% compared with 45.8% in the first quarter 2017 in the West Bank. While, the rate of labor force participation in the second quarter 2017 was 44.4% compared with 45.7% in the first quarter 2017 in Gaza Strip.

Results also indicated that the unemployment rate was 29.0% in Palestine in the second quarter 2017 compared with 27.0% in the first quarter 2017. Again, there is a difference between the West Bank and Gaza Strip at 20.5% in the West Bank and 44.0% in Gaza Strip.

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 Notes

There are important technical notes which should be taken into consideration when reviewing this report, which are 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

In compliance with the International Labor Organization Recommendation, the persons aged 15 years and over classified into two groups:
1. In Labor Force
2. Outside Labor Force

The persons in Labor Force are classified into three groups:
1. Full employment
2. Underemployment (Visible, Invisible)
3. Unemployment

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. Underemployment 3. Unemployment 4. Out Labor Force	Labor Force Status (3)
EMPSTATS	1. Employer (employs others) 2. On own account 3. Employee 4. Unpaid family member	
WBGS	1. West Bank 2. Gaza Strip	Region
REASON	1. Old/ ill 2. Home duties 3. Studying 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

Variable name	Value Label	Description
EMPSTATS	1. Employer (Employs other) 2. On own account 3. Employee 4. Unpaid Family member	Employment Status
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 boarders (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 boarders (J1).

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