# NATIONAL BUREAU OF STATISTICS
# ABUJA

# Nigeria Labour Force Survey (NLFS) - Frequently Asked Questions

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***Introductory Note***

This Frequently Asked Questions (FAQ) document aims to provide quick and informative answers to common questions regarding the Nigeria Labour Force Survey (NLFS) methodology review undertaken by the National Bureau of Statistics. For further assistance, we invite you to reach out to our dedicated support team at the contact information provided on the website www.nigerianstat.gov.ng.

*List of questions*

A. RATIONALE FOR REVIEW
   1. What is the purpose of the Nigeria Labour Force Survey (NLFS)?
   2. Why is there a need for methodology review?
   3. Why ILO guideline?
   4. When was the last methodology review undertaken?
   5. Who are the main beneficiaries of the NLFS data, and how is the information utilized by these groups?
   6. How often should a country review its labour force   methodology?

B. METHODOLOGY REVIEW
   7. What are the major differences between the old and new methodological approaches?
   8. Can you explain the data sources and collection methods used to gather information for the unemployment statistics?
   9. How are unemployed individuals defined in the statistical methodology, and how are they distinguished from those who are employed or outside the labour force?
   10. Can you provide insights into any adjustments or seasonal factors that were incorporated into the unemployment statistics?
   11. How does the NLFS define and measure unemployment in the context of the NLFS survey?
   12. How does the NLFS define "active search" for employment, and what are some examples of specific actions that qualify as active search?
   13. Can you elaborate on the fieldwork schedule change to run from Wednesday to Sunday, and how it impacts reaching respondents who aren't available during the working week?
   14. How does the NLFS address the challenge of proxy response, and what are the benefits of reducing it during data collection?
   15. What are the main considerations in using the ILO revised methodology?
   16. Could you provide insights into the specific questionnaire improvements made to match international best practice in the NLFS?
   17. In what ways will NLFS data contribute to the formulation of long-term economic development plans for Nigeria?
   18. Are there any limitations in the new methodology?

C. KEY RESULTS FROM THE LABOUR FORCE SURVEY
   19. Why is it not recommended to construct trends for key labour market statistics by comparing results from the old and new NLFS methodology?
   20. Why has there been a two-year gap between the publication of previous labour statistics and the new NLFS data?

21. Why does the report include only shares and percentages rather than absolute numbers?

22. Why are the occupation and activity classifications – that is, the International Standard Classification of Occupations (ISCO) and International Standard Industrial Classifications (ISIC) codes – not being released in the first report?

23. How does the new methodology guarantee that the data will be of high quality?

D. FUTURE UPDATES
24. How often will the unemployment data be produced and reported?
25. What's the use of NLFS or how are the survey results used?
26. Can I compare Labour Force Survey results between different countries?
27. How can I interpret changes in the employment and unemployment rates?
28. How can I get the Report?
29. How can I provide feedback or ask questions about the survey results?

*RESPONSE*

**A. RATIONALE FOR REVIEW**

**1. What is the purpose of the Nigeria Labour Force Survey (NLFS)?**

The Labour Force Survey is a routine household survey conducted by National Bureau of Statistics to collect data about labour market indicators in Nigeria.

**2. Why is there a need for methodology review?**

The methodology review is necessary due to availability of new guidelines by the International Labour Organization (ILO) which Nigeria is a signatory, to align with international best practice, Nigeria context and cross-country comparability.

**3. Why ILO guideline?**

ILO is the international body statutorily responsible for the development of standard guidelines for computation of labour force statistics across the globe.

**4. When was the last methodology review undertaken?**

The previous methodology was adopted in 2014

5. **Who are the main beneficiaries of the NLFS data, and how is the information utilized by these groups?**

NLFS data is utilized by a range of stakeholders including policymakers, economists, researchers, and businesses. These groups use labor force statistics to assess the health of the labor market, make informed policy decisions, and identify trends in employment and unemployment rates. The data provides insights into the dynamics of the Nigerian labour market, aiding in decision-making and analysis.

6. **How often should a country review its labour force methodology?**
New methodologies and standards on labour statistics is developed and updated at the International Conference of Labour Statisticians (ICLS) every 5 years. National Statistics Offices (NSOs) are encouraged to adopt resolutions from the conference.

**B. METHODOLOGY REVIEW**

7. **What are the major differences between the old and new methodological approaches?**

| Item | Old Methodology | New Methodology |
|---|---|---|
| **Working Age Population** | Persons aged 15 – 64 years | persons aged 15 years and above. |
| **Employment** | All those of working age population who were engaged in any activity that produce goods or provide services for a minimum of 20 hours in the reference period. | All those of working age population who during the reference period were engaged in any activity to produce goods or provide services for pay or profit. |
| **Labour Force** | Working Age Population (15 – 64 years) that are employed and unemployed | Working Age Population (15 years and above) that are employed and unemployed |
| **Unemployed** | Worked below 20 hours or did not work but searching and available in the reference week | Not in employment, actively searching and available (did nothing for pay or profit) |
| **Under-employed** | Worked between 20 and 39 hours in a week | Worked less than 40 hours hours *willing and available for more work* |
| **Questionnaire** | 13th International Conference of Labour Statisticians (ICLS) model questionnaire | 19th International Conference of Labour Statisticians (ICLS) model questionnaire |
| **Periodicity** | Cross sectional (One off data collection) | Continuous – throughout the year (Longitudinal) |

| Sample Size | 33,300 Households Quarterly | 35,520 Households spread across 12 months |
|---|---|---|
| Data Collection | 17 – 21 Days every quarter | Continuously for 12 months |
| Employment in Agriculture | Recorded as employed if 20 hourly thresholds met | A distinction is made between commercial and subsistence agriculture |
| Reporting | Quarterly National and State levels estimate | Quarterly National and yearly State levels estimate |

8. **Can you explain the data sources and collection methods used to gather information for the unemployment statistics?**

NLFS is a household-based survey using face-to-face interviews to collect information about the employment status of individuals, including whether they are employed, unemployed, or outside the labour force.

9. **How are unemployed individuals defined in the statistical methodology?**

The unemployed comprise all persons of working age who were: a) without work during the reference period (i.e., were not in paid employment or self-employment); b) currently available for work (i.e., were available for paid employment or self-employment during the reference period); and c) seeking work (i.e., had taken specific steps in a specified recent period to seek paid employment or self-employment). For purposes of international comparability, the period of job search is preferably defined as the preceding four weeks.

10. **Can you provide insights into any adjustments or seasonal factors that were incorporated into the unemployment statistics?**

NLFS data collection is a continuous exercise that runs throughout 12 months. Seasonal adjusted figures will not be available at this time because of a lack of seasonal labour force data.

11. **How does the NLFS define and measure unemployment in the context of the NLFS survey?**

Unemployment in the NLFS is defined as a situation where individuals have been without employment for the past 7 days, are actively seeking employment within the last four weeks, and are available for work. This definition aligns with international standards and includes specific criteria to determine the status of an individual as unemployed within the survey period

**12. How does the NLFS define "active search" for employment, and what are some examples of specific actions that qualify as active search?**

"Active search" for employment in the NLFS refers to specific action individuals take within the previous four weeks to actively seek a job or start a business. Examples of such actions could include submitting job applications, attending job fairs, networking, reaching out to potential employers, and registering with employment agencies amongst others.

**13. Can you elaborate on the fieldwork schedule change to run from Wednesday to Sunday, and how it impacts reaching respondents who aren't available during the working week?**

Changing the fieldwork schedule to run from Wednesday to Sunday accommodates individuals who might not be available for interviews during the typical work week. This adjustment enhances the chances of reaching a broader and more representative sample of respondents, reducing the potential bias introduced by proxy response.

**14. How does the NLFS address the challenge of proxy response, and what are the benefits of reducing it during data collection?**

Proxy response involves a third-party providing information on behalf of the respondent. The NLFS's efforts to reduce proxy response involve reorganizing the fieldwork schedule to minimize the need for proxy responses. Reducing proxy responses improves the accuracy and reliability of the data collected, as it ensures that responses come directly from the individuals surveyed.

**15. What are the main considerations in using the ILO revised methodology?**

The adoption of the ILO revised methodology ensures consistency and comparability of labour force survey results across different countries. Standardized definitions and measurements of key indicators, such as unemployment, allow for meaningful comparisons that reflect international best practice, aiding in international research and policy analysis.

**16. Could you provide insights into the specific questionnaire improvements made to match international best practice in the NLFS?**

Specific questionnaire improvements include refining questions to align with international definitions of employment, unemployment, and related concepts. Questions related to job search activities, availability for work, temporary absent, employment in formal and informal sector and other indicators have been modified to better capture the nuances of labour market dynamics.

17. **In what ways will NLFS data contribute to the formulation of long-term economic development plans for Nigeria?**

NLFS data provides insights into employment trends, labor force dynamics, and sectoral shifts over time. These insights are essential for formulating targeted economic development plans that address issues like job creation, skills development, and reducing unemployment. The data informs policy.

18. **Are there any limitations in the new methodology?**

The results derived from the new standard is not comparable with the old standards, however, as we implement the new standards, more limitations might become apparent.

C. **KEY RESULTS FROM THE LABOUR FORCE SURVEY**

19. **Why is it not recommended to construct trends for key labour market statistics by comparing results from the old and new NLFS methodology?**

Many of the key tenets of the methodology for the NLFS have changed compared with previous labour market surveys in Nigeria. Four changes are worth particular attention; First, the questionnaire has been dramatically improved to match international best practice. Second, the sampling approach has been revised, based now on the updated listing of buildings and structures provided by NPC ahead of the upcoming census. Third, the continuous data collection schedule is very different from the quarter-specific surveys that were undertaken previously. Fourth, significant efforts have been taken to reduce proxy response, including reorganizing the fieldwork to run from Wednesday to Sunday each week so that those respondents not available for interview during the working week can be reached.

20. **Why has there been a two-year gap between the publication of previous labour statistics and the new NLFS data?**

Following the release of the Q4 2020 result, there was a need to revisit the methodology for the conduct of the survey particularly with regards to the 20 hours benchmark and the need to adopt the new ILO guidelines as contained in the 19th ICLS resolutions.

In conducting this review, there was need for it to be inclusive of all relevant stakeholders and comprehensive need for consultations, pretesting of the new instrument and pilot testing before full implementation. The review process was completed at the end of second quarter 2022 and the implementation started in third quarter 2022.

**21. Why does the report include only shares and percentages rather than absolute numbers?**

With only one quarter of data and with the national population census not yet done, the sampling weights used for the new NLFS do not allow a certain estimate of the full working-age population to be produced. Further data and checks will be needed before this is possible. However, it is possible to calculate the shares and percentages associated with different labour market indicators based on those sampling weights that can be calculated. This is the approach taken in the report.

**22. Why are the occupation and activity classifications – that is, the International Standard Classification of Occupations (ISCO) and International Standard Industrial Classifications (ISIC) codes – not being released in the first report?**

Quarterly samples will not be sufficient for disaggregation of employment by ISCO and ISIC. Employment will be disaggregated by the occupational sector annually. This will ensure high precision and a smaller margin of error.

**23. How does the new methodology guarantee that the data will be of high quality?**

The Nigeria Labour Force Survey (NLFS) has adopted a "continuous data collection method", where field teams are collecting data throughout the year. This differs from the previous design, where four separate data collection efforts were planned for each quarter.
Continuous methodology presents three main advantages:

  i.   With data constantly being collected, the fieldwork can be spread out more and the work can be implemented with smaller and easier to manage teams.
  ii.  The approach allows for real-time monitoring of data quality, which enables issues to be fixed and data collection to improve while the survey is being implemented.

### D. FUTURE UPDATES

**24. How often will the unemployment data be produced and reported?**

The NLFS data is collected continuously throughout the year, but results are released quarterly (annually).

**25. What's the use of NLFS or how are the survey results used?**

Labour Force Statistics are used by policymakers, economists, researchers, and businesses to assess the health of the labour market, make informed policy decisions, and identify trends in employment and unemployment rates.

**26. Can I compare Labour Force Survey results between different countries?**

Yes, it has been made easier by the adoption of the ILO revised methodology that has already been adopted by many countries.

**27. How can I interpret changes in the employment and unemployment rates?**

Changes in employment and unemployment rates can indicate shifts in the economy's health. Decreases in unemployment and increases in employment are generally positive signs, while the opposite can suggest economic challenges.

**28. How can I get the Report?**

The report is available on NBS website at https://www.nigerianstat.gov.ng

**29. How can I provide feedback or ask questions about the survey results?**

The National Bureau of Statistics could be contacted via:

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