

# LFS LABOUR FORCE SURVEY

For the month of: **September 2020** • Published on: **December 9<sup>th</sup>, 2020**

## UNEMPLOYMENT RATE AT 13.7 PERCENT IN SEPTEMBER 2020

Preliminary results from the Statistical Institute of Belize’s most recent Labour Force Survey (LFS) reveal that, for the month of September 2020, the national unemployment rate was 13.7 percent. For this round of the survey, refined definitions were implemented for classifying the employed, unemployed, and underemployed, in accordance with a resolution of the 19th International Conference of Labour Statisticians (ICLS). The September 2020 LFS will now serve as a benchmark for future Labour Force Surveys. Having been conducted during the ongoing COVID-19 pandemic, this round of the LFS also measured the impact of the pandemic on the labour force.

### Revisions to key concepts and definitions:

**Employed** - These are persons who worked for pay or profit for at least one hour in the reference week or had a job but were not at work during the reference week. The main change in the definition used to classify persons as employed is that persons who produce goods mainly or exclusively for family consumption, volunteer workers and unpaid trainees and interns are no longer considered as employed. For example, subsistence farmers who sold a portion of what they produced were previously classified as employed. However, using the refined definition, these farmers would only be classified as employed if they sold a majority of what they produced.

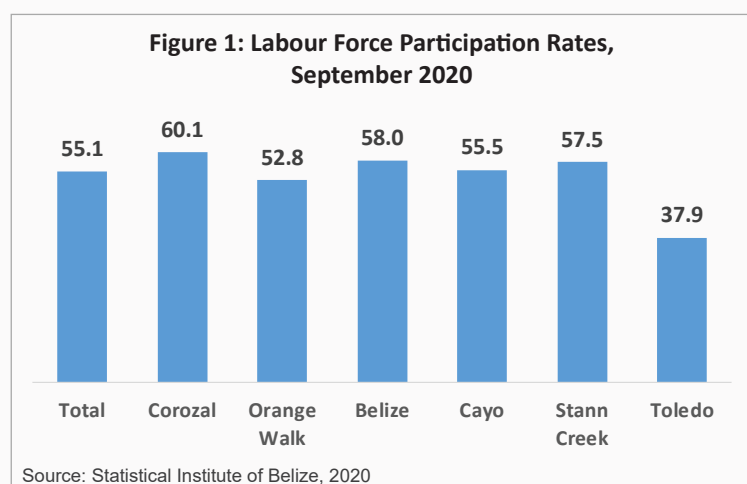
**Unemployed** - Three criteria are now required to classify persons as unemployed: persons who were without work, carried out activities to look for work within the last four weeks and were available to start working within the next two weeks. The definition previously used made reference to two of these criteria only: persons without work and available to work. The criterion “looking for work” was not a requirement in the previous definition.

**Underemployed** - These persons are a subgroup of the employed. In addition to the criterion of working less than 35 hours in the reference week, underemployed persons must also want to work and be available to start working additional hours within the next two weeks.

It should be noted that these revisions in definitions had an impact on estimated figures for the number of persons in the labour force, the number of unemployed persons, and those out of the labour force.

### Labour Force:

As at September 2020, the labour force was estimated at 168,630. This estimate is notably lower than the figures derived from the last September round in 2019, when the labour force was estimated to be 190,307. This shift can be attributed to the revisions of the definitions for the subgroups of the labour force – the employed and unemployed populations as explained above. About 55.1 percent of working age persons participated in the labour force in September 2020 (see Figure 1), compared to an estimated 70.1 percent in September 2019, when the previous definition was used. This is as a result of an increase in the number of persons now classified as being out of the labour force based on the revised definitions.



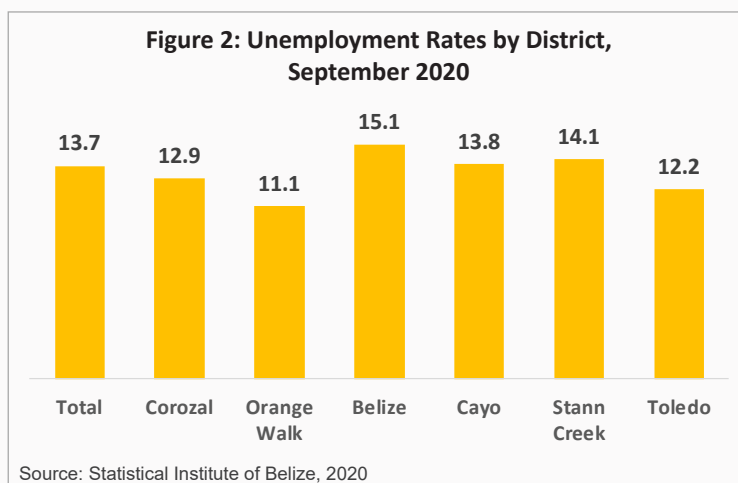
Among working age males, 68.7 percent were in the labour force compared to 42.4 percent of their female counterparts. The highest labour force participation level was observed in the Corozal district at 60.1 percent, and the lowest was seen in Toledo at 37.9 percent. As a result of the updated concepts and definitions, the estimated labour force participation rates across all districts were lower than previously published estimates. The Toledo district, which has the highest proportion of the country’s subsistence farmers, was most impacted by these changes, as many persons who engage in farming mostly for their own household’s consumption were no longer classified as employed. In terms of educational attainment, 69.5 percent of working age persons with a tertiary level education were active in the labour force compared to 50.1 percent of working age persons with only a primary school level education.

### Unemployed

The results of the September 2020 LFS showed that approximately 13.7 percent of the labour force was unemployed. In previous rounds of the survey, females were usually twice as likely to be unemployed as males. However, this changed in September 2020, with women registering a rate of 17.0 percent and males experiencing unemployment levels of 11.6 percent. The narrowing of this gap can be partially attributed to males losing jobs at a higher rate than females. In addition, many females who recently lost jobs were not classified as unemployed since they were not looking for work. Many reported that they were assuming the roles of caretakers of elderly persons or children at home, while others were waiting to be called back to their former jobs.

Among the different age groups, youths (14 to 24 years) were much more likely to be unemployed, with a rate of 23 percent, compared to 11 percent among adults. Persons with a tertiary level education were far less likely to be unemployed (7.5 percent) than persons who had only completed a primary level education (14.5 percent) or a secondary level education (17.9 percent).

Across the districts, Belize registered the highest unemployment rate at 15.1 percent. Within this district, the largest share of jobs lost was in ‘Administrative and Support Service Activities’, ‘Accommodation and Food Service Activities’ and ‘Wholesale and Retail Trade and Motor Vehicle Repairs’. In contrast, the lowest level of unemployment was seen in the Orange Walk district at 11.1 percent. In previous rounds of the survey, the Toledo district most often had the lowest estimated rates of unemployment. However, a decline in the employment count for this district due to the revised definitions, has resulted in an estimated unemployment rate of 12.2 percent, notably higher than previously published estimates (see Figure 2).



Overall, one out of every five unemployed persons who were previously employed lost jobs in the ‘Accommodation and Food Services’ industry. In addition, the September 2020 results show that about 63.1 percent of unemployed persons were jobless for a duration of 6 months or less which was consistent with the period in which Belize was affected by the pandemic prior to September 2020.

## Employed:

An estimated 145,455 persons were employed in September 2020, of which 61.8 percent were males and 38.2 percent were females. Similar to trends from past labour force surveys, persons aged 25-34 years represented the largest group or 27.1 percent of employed persons. For the September 2020 round of the LFS, the highest share or 24.0 percent of jobs held was in 'Elementary Occupations', followed by 'Services and Sales Workers' at 22.7 percent. A closer look by sex reveals that the largest proportion of males worked in 'Elementary Occupations' such as yard cleaners, crop farm labourers and construction labourers. About one third of employed females held jobs as 'Services and Sales Workers' in occupations such as cooks, cashiers and call center salespersons.

When categorizing employment by industry, 18.6 percent of all jobs fell within the 'Wholesale and Retail Trade; Motor Vehicle Repairs' industry. This industry accounted for the largest share of total employment in all districts except for Stann Creek and Toledo, where the largest proportion of jobs were in 'Agriculture, Forestry and Fishing'. It is noteworthy that after being the second largest job provider at 17.2 percent in September 2019, the share of employed persons in the

**Figure 3: Employment by Main Industry, September 2020**



Source: Statistical Institute of Belize, 2020

'Tourism' industry fell to 8.1 percent in September 2020 (see Figure 3). An estimated 60,833 or 41.8 percent of all employed persons were in informal employment<sup>1</sup> of which almost 60 percent were self-employed in the 'Maintenance Service Activities', 'Food Service Activities' and 'Construction' industries. On average, persons in informal employment earned about \$755.02 per month, approximately the same as underemployed persons, whose average monthly income was \$755.74. Persons who held formal jobs, however, earned an average of \$1,429 per month, about \$260 higher than the national average of \$1,169.45 for all employed persons.

## Underemployed

The total number of underemployed persons in September 2020 was estimated at 34,307. This represented 23.6 percent of all employed persons. Both males and females experienced the same levels of underemployment at 23 percent. This was not the case in previous rounds of the survey, in which women were estimated to be much more likely to be underemployed, a difference attributable to the revised definition of underemployment, which now requires that persons be available to work additional hours. Females who usually work less than 35 hours a week reported that they were unavailable to work more hours due to child-caring and home duty activities in their households. It was also observed that just over one third of underemployed women held jobs as 'Services and Sales Workers', while about 41.5 percent of underemployed males had jobs in 'Elementary Occupations'. Overall, underemployed persons usually worked an average of 16.5 hours per week.

Across the districts, Corozal experienced the highest levels of underemployment at 34.0 percent. In this district, most underemployed persons worked in 'Elementary Occupations'. Although Orange Walk experienced the lowest levels of joblessness, it registered the second largest underemployment levels, where one out of every four employed persons were underemployed.

## Impact of COVID-19 on the Labour Force

During the period March to August 2020, there were approximately 38,909 persons without work (unemployed or out of the labour force) who lost their previous jobs or businesses due to COVID-19. One out of every three of these persons previously worked in the 'Tourism' industry, while about 15 percent worked in 'Wholesale and Retail Trade and Motor Vehicle Repairs', and 12 percent in 'Community, Social and Personal Services'. The largest proportion or 28.2 percent of these persons were between 25 to 34 years old. In terms of financial support, about 77 percent of these persons were either sustained by a parent, spouse or child or depended on their own savings. It is important to note that not all persons without work who lost their job due to COVID-19 were classified as unemployed. About two thirds of these persons did not meet the criterion of "looking for work" and were classified as out of the labour force. Most of these persons expressed that they were not looking for work since they were hopeful to return to their previous job in the near future.

Among employed persons, one out of every four persons reported that they received reduced or partial wages. Prior to the COVID-19 outbreak in March of 2020, persons worked an average of 43.8 hours per week; this figure saw a reduction to 37.1 hours per week in the period following March 2020. Among employed persons who had lost jobs during the period from March to August 2020, more than one-fourth had lost jobs in the 'Tourism' industry. About one fifth of these persons were now working in the 'Manufacturing' industry. Some examples of jobs in this industry are making and selling of bread, pastries and clothing items. Overall, about 64.4 percent of the employed population who lost a previous job due to the pandemic were males.

## Comparison of main labour force indicators using previous and revised definitions

With the implementation of the revised international definitions, results from the September 2020 round of the survey have become less comparable to those from previous years. Table 1 below shows estimates of the main indicators for September 2020 based on revised and previous definitions and the September 2019 results.

The estimated number of employed persons using the revised definition excludes production of goods mainly or exclusively for household use, volunteer work and trainee work and interns, even if receiving a stipend. Figures estimated using the previous definition, on the other hand, are notably different, as they include all persons who were involved in the production of goods for household use.

For the unemployed population, estimates derived using the previous definition resulted in an unemployment rate of 29.6 percent, compared to 13.7 percent derived using the updated definitions. The major difference is attributable to persons who were available but not looking for work. These persons were previously captured as unemployed, but were now classified as falling outside of the labour force.

A lower rate of underemployment was derived using the updated definition, which included the criteria of wanting and being available to work additional hours.

**Table 1 Main indicators - Previous and New Definitions, September 2019 and September 2020**

Indicator	Sep 2020 New Definition	Sep 2020 Previous Definition	Sep 2019
Employed	145,455	153,098	170,458
Unemployed	23,175	64,373	19,849
Labour Force	168,630	217,471	190,307
Out of Labour Force	137,208	88,366	81,344
Participation Rate	55.1%	71.1%	70.1%
Unemployment Rate	13.7	29.6	10.4
Underemployment Rate	23.6	36.0	22.7

1 This is the first LFS in which informal employment was captured. Self-employed persons were considered to hold an informal job if they did not contribute to social security. Likewise, persons working in the private sector were considered to hold an informal job if they or their employer did not contribute to social security.