

**CONFERENCE OF EUROPEAN STATISTICIANS**

For decision

First Meeting of the 2011/2012 Bureau  
Geneva (Switzerland), 2-3 November 2011

Item 10 of the Provisional  
Agenda

**FOLLOW-UP TO THE CES 2011 SEMINAR ON MEASURING HUMAN CAPITAL**

**Note prepared by Statistics New Zealand**

**I. BACKGROUND**

1. The Conference of European Statisticians discussed the challenges in the measurement of human capital at the June 2011 CES seminar. The Conference decided as a first step to prepare a report taking stock of what has been done so far in measuring human capital, including the related work of the OECD, the World Bank and UNECE.
2. New Zealand, as Chair of the seminar, has prepared this proposal for how this report will be prepared.

**II. WORKING ARRANGEMENTS**

3. The report should be prepared by a small group of experts comprising expertise in national accounts, sustainable development, and labour market and education statistics.
4. Following on from chairing the June seminar, Geoff Bascand (Government Statistician, Statistics New Zealand) will chair the group, providing overall direction for the project. The OECD will provide technical leadership to the group, given its leading role across many different human capital related projects.
5. The OECD will draft the stock-take report in consultation with the other members of the group of experts. These members will come from agencies that are at the forefront in developing methods for measuring human capital. Therefore Canada and Norway, who chaired sessions at the June seminar, as well as the World Bank, Eurostat, the U.S., Finland and Poland, will be asked to nominate members to the working group.
6. The UNECE secretariat will provide all necessary support and also be a member of the group.

**III. OUTLINE OF THE STOCK TAKE REPORT**

7. The stock-take report will follow the approach used in the in-depth reviews by the CES Bureau: providing a summary of national and international work in the area, listing the main issues and problems, and proposing actions to address the identified problems.

8. The paper should consist of:

(a) A short **introduction** about the purpose of the paper.

(b) A brief **summary of the drivers for human capital measurement**.

(c) **An overview of the leading initiatives** across the different types of human capital measurement (cost, income, direct testing, and indicator approaches). This should cover all the work undertaken by the various international endeavours, as well as projects that are being undertaken by the leading countries in this area.

(d) **A discussion of the main problems and issues**. Many of these were identified at the June seminar and mentioned in the Conference report. For example, the big differences between the human capital stock estimates generated by the cost-based and income-based methods. This section should distinguish between the conceptual/methodological issues and issues relating to the data.

(e) **A proposal for how to address the main problems identified**. This section should outline a potential way forward for the international statistical community. It should cover the implications for the data that is collected by national statistics offices and the databases that are built. It should also discuss the issues around moving towards the long-term goal of incorporating human capital into the System of National Accounts.

#### **IV. TIMELINE**

9. A draft of the report should be submitted to the CES Bureau for a review in October 2012. The final report should be presented to the 2013 CES plenary session.

#### **V. PROPOSAL**

10. **The Bureau is invited to discuss and approve the approach outlined in this paper.**

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