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Conference of European Statisticians

Group of Experts on Measuring Quality of Employment
Sixth session
Geneva, 31 October – 2 November 2011

Report

Note by the secretariat

Summary

> The Conference of European Statisticians, at its fifty-ninth plenary session in June 2011, approved the activities undertaken under the UNECE Statistical Programme 2011, and endorsed the list of meetings planned to be organised from June 2011 to June 2012, as provided in document ECE/CES/81 (Report of the fifty-ninth plenary session of the Conference of European Statisticians, ECE/CES/81, para. 61). This list included a meeting of the Group of Experts on Quality of Employment, which was held in Geneva on 31 October – 2 November 2011.
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> The present document is the report of that Group of Experts and is provided to inform the Conference of European Statisticians of the organization and outcomes of the meeting.

I. Introduction

1.   The meeting on Measuring of Quality of Employment was organized by the United Nations Economic Commission for Europe (UNECE) in cooperation with the International Labour Office (ILO), the Statistical Office of European Communities (Eurostat) and Statistics Canada. This meeting was attended by participants from Australia, Azerbaijan, Canada, Finland, France, Germany, Israel, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Mexico, Mongolia, Poland, Portugal, Republic of Moldova, Russian Federation, Serbia, Slovenia, Spain, Switzerland, Turkey and the Statistical Office of Kosovo. The European Union was represented by the European Commission (Eurostat) and European Foundation for the Improvement of Living and Working Conditions (Eurofound). The ILO, UNCTAD, UNECE and WIPO were present as well as experts from and the Non-governmental Organization Women in Informal Employment: Globalizing and Organizing (WIEGO).

2.   Mr. Thomas Körner (Germany) was elected as Chairperson of the meeting.

II. Organization of the Meeting

3.   The objectives of the meeting were three-fold: (i) to review the new and updated country profiles keeping in mind the international organizations' work in the area; (ii) to concretize suggestions for further work, i.e. refining of the list of indicators and their operational definitions/guidelines and data sources and (iii) to decide on the way forward for quality of employment and whether a new Task Force or Expert Group should be proposed to take on the future work.

4.   The meeting started by a recapitulation of activities on measuring quality of employment since 2000 and an update since the Fifth Meeting in 2009. The second session referred to the related international frameworks, i.e. ILO's Decent Work framework, European Commission's Quality of Work indicators and Eurofound's European Working Conditions Survey. The third session began by an introduction on the conceptual structure and the potential indicators of quality of employment followed by some general remarks by France and Australia. Session 4 was organized in three sub-sessions based on the dimensions of quality of employment and the Republic of Moldova, Russian Federation, Spain, Israel, Canada, Azerbaijan, Germany, Slovenia, Switzerland, Italy, Finland and the Netherlands (in order of agenda) presented their experiences on selected dimensions. Eurostat also provided comments on Dimensions 4 and 5. Session 5 was dedicated to the ILO's work on the development of a manual on Decent Work Indicators. In Session 6, Mexico and WIPO discussed labour informality and employee retention rate as possible future areas of consideration under quality of employment. Germany presented their publication on quality of employment in Session 7 with insights on the usability of the indicators and the dimensions and Session 8 ended the meeting with substantive conclusions and suggestions for future work.

5.   All papers and presentations from the meeting are available on the UNECE website: http://www.unece.org/stats/documents/2011.10.labour.html.

III. Summary of discussion and the main conclusions reached at the meeting

A. General remarks on the potential indicators for measuring quality of employment

6.   The meeting highlighted the increasing relevance of measuring quality of employment. In particular, the links to the ILO's Decent Work Indicators, the European Union's Quality of Work indicators, European Working Conditions Surveys and Europe 2020 strategy and to OECD's work on measuring progress of societies and quality of life following up on the Stiglitz-Sen-Fitoussi report were reiterated.

7.   At the time of the meeting, there were 15 country reports on quality of employment from Azerbaijan, Canada, Finland, France, Germany, Israel, Italy, Mexico, Netherlands, Republic of Moldova, Russian Federation, Slovenia, Spain, Switzerland and Ukraine. In Germany and Switzerland the country reports were published and disseminated.

8.   The meeting agreed that the country reports proved that the potential indicators under the seven dimensions were practicable. However, the conceptual paper should be revised in order to reach a consensus on what is meant by a framework; elaborate on the levels of analysis (micro, meso and macro) and; explain further the perspective on quality of employment adopted. The importance of further guidance on context indicators was reiterated and this may be elaborated in the revised version of the conceptual paper.

9.   The meeting confirmed that the purpose of the work on quality of employment is not to provide international standards or make international comparisons. In this vein, the importance of customizing the set of indicators for the national context was highlighted.

10.   There were suggestions on adding, removing or repositioning indicators and/or sub-dimensions under the seven dimensions of quality of employment. The details on these discussions are given below. The meeting also recommended that more information on the proposed indicators is needed, e.g. operational definitions, preferred data sources, limitations of indicators and interpretation issues. The ongoing work on defining Decent Work Indicators is an important input for further work on this.

B. The dimensions and the indicators

11.   The meeting acknowledged the need for further methodological guidance on all indicators. In particular, further information on the following indicators was requested: hazardous occupations and sectors; stress due to employment activities, supplemental medical insurance plan, involuntary part-time work, average actual hours worked per week per household and the indicators on over- and under-qualification for the occupation.

12.   The possible repositioning of Child labour and forced labour (under Fair treatment in employment) and Fair treatment in employment (as a cross-cutting meta-dimension) was discussed.

13.   Additional indicators were suggested for Fair treatment in employment (gender pay gap, share of females in managerial positions and occupational segregation by sex); Non-wage pecuniary benefits (indicators for the use of benefits in addition to the entitlement to benefits); Security of employment (share of employed persons working for temporary employment agencies, transition from temporary to permanent employment and perceived job security); Working hours (indicators based on thresholds of usual hours worked), Social protection (willingness to work beyond current retirement age) and Skills development and life-long learning (work intensity effects on benefiting from training opportunities).

14.   The importance of considering temporary (voluntary/involuntary) versus permanent contracts, full-time versus part-time (voluntary/involuntary) work, own-account workers versus other self-employed across the indicators was reiterated. It was also recommended to separate maternity/paternity from family leave to enable deeper analysis.

15.   It was suggested to remove the following indicators from the list:

• Average weekly earnings of employed people;

• Public social security expenditure as share of GDP; and

• Average actual hours worked per person.

IV. Recommended future work

16.   The following recommendations were made:

(a)   Formation of an Expert Group on Measuring Quality of Employment with the following tasks:

(i)   Review and revise the conceptual structure of measuring quality of employment as outlined in report on:

Potential Indicators for Measurement of Quality of Employment, available at http://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/2010/9.e.pdf;

(ii)   Revise the set of indicators of quality of employment in order to reflect the issues that were raised at the 58th Session of the Conference of the European Statisticians; in the country reports/publications and presentations and; during the discussions of the Meeting held on 31 October – 2 November 2011.

(iii)   Develop operational definitions, computation guidelines including data sources and limitations for quality of employment indicators in a two-phase approach, i.e. beginning with dimensions 1 - 4 in a first phase and focusing on the more complex dimensions 5 - 7 in a second phase. Cooperation with the ILO and the latter's work on the manual for Decent Work Indicators were highlighted as essential.

(b)   Organization of a Seventh Meeting on Measuring Quality of Employment in order to discuss the revised conceptual paper and the first-phase outputs in 2013.

V. Adoption of the report

17.   The decisions under Future Work were endorsed at the closing session of the meeting on 2 November 2011. The complete report was circulated among the participants posterior to the meeting.

Annex

Record of the discussion on Quality of Employment Dimensions and Indicators

I. Cross-cutting issues regarding the dimensions and the indicators

1.   The meeting agreed that the conceptual paper should be revised in order to reflect the discussion on the specific dimensions given below. Comparability, although not in the current scope of the study, could be tested for some sub-dimensions such as Working hours where sufficient harmonized data is available.

2.   It was proposed to identify segments of population in terms of their vulnerability and their exposure to risk. In doing this, it is important to take account of jobs that can be considered "inherently bad" in terms of pay, working conditions, etc.

3.   Interpretation of objective versus subjective data was raised. Clear guidelines are needed in interpreting factual data, e.g. share of temporary workers, versus data based on perceptions, e.g. perceived job security of the individual. In addition to taking national context into consideration, it was agreed that indicators from different dimensions could be used together in order to enhance interpretation, e.g. indicators under Working hours and Income from employment.

4.   Another issue related to the interpretation of indicators was the dissemination of the results to data users and media. It was decided to address this issue in future meetings on measuring quality of employment.

II. Discussions on specific dimensions and indicators

(a)   **Safety and ethics of employment**

Safety at work

5.   It was reiterated that the *Resolution concerning statistics of occupational injuries (resulting from occupational accidents)* adopted by the Sixteenth International Conference of Labour Statisticians (October 1998) provided the guidelines for the indicators on occupational injuries and diseases.

6.   It was noted that the list of hazardous occupations provided by the ILO in *Hazard Data Sheets* (HDOs) was limited. The recommendation was to follow the national legislation in order to identify the hazardous occupations in a given country. Although the focus has been on hazardous occupations in the country reports, hazardous sectors should also be included according to the ILO definition.

7.   It was noted that stress was related to health and that it is now included in psychosocial questions in the Eurofound surveys. The methodology for this is provided by the World Health Organisation and the questions on mental wellbeing are followed by a depression survey. It was also mentioned that depending on the culture, stress levels may be under- or over-reported. Some countries focussed on measuring the effect of stress, e.g. loss of sleep due stress at work, etc.

Child labour and forced labour

8.   The possibility of moving the sub-dimension of Child labour and forced labour under Fair treatment in employment was mentioned. Child labour and forced labour sub-dimension is not deemed relevant to all countries.

Fair treatment in employment

9.   It was explained that Fair treatment in employment was a complicated sub-dimension and the earlier Task Force recommended disaggregating selected indicators for relevant sub-populations to measure this sub-dimension. A proposal was put forth to identify population segments indicating different dimensions of vulnerability and exposure to risk, e.g. illegal workers, temporary workers, underemployed workers, etc. that could be coherently aggregated in order to shed light on Fair treatment in employment. It was mentioned that fair treatment is a meta-dimension overarching all the other dimensions and that its place in the conceptual structure could be reconsidered. There was repeated reference to additional indicators such as gender pay gap, share of females in managerial occupations and occupational segregation by sex as useful indicators that can be used in addition to disaggregation of selected indicators by sex. It was mentioned that in the *Validation Study* conducted in 2009 the data analysis showed negative correlation of gender pay gap with other quality of employment indicators. An important question was how to interpret occupational segregation by sex.

(b)   Income and benefits from employment

Income from employment

10.   Removing average weekly earnings of employed persons from the list was recommended, especially given that the distribution of weekly earnings was a more informative quality of employment indicator.

11.   The importance of breakdowns of income for full-time and part-time workers, regular versus non-regular workers and different socio-demographic sub-populations was reiterated.

12.   Other important remarks on this sub-dimension included the complexity of data sources for income variables and the importance of taking into account current macroeconomic dynamics in interpreting them.

Non-wage pecuniary benefits from employment

13.   The discussion on the benefits centred on measuring the entitlement to versus the use of paid annual and sick leave. This was linked to the debate on the coverage in law (statutory coverage) and coverage in practice (effective coverage) in relation to benefits. Although in some countries the two types of coverage might be close, in others important differences were observed. Further work on this area was recommended.

14.   It was suggested that further information on supplemental medical benefits be given or this indicator be removed.

(c)   Working hours and balancing work and non-working life

Working hours

15.   The importance of distinguishing between full-time and part-time workers was reiterated. It was emphasized that the definition of involuntary part-time workers had to be harmonized.

16.   It was recommended to remove indicators giving average hours worked and to design indicators giving working hours below or above selected hour thresholds. It was also recommended to use usual hours in computing the indicators under this sub-dimension.

17.   The reference periods of hours worked and pay received should be harmonized. These reference periods should be decided at the national level.

Balancing work and non-working life

18.   Regarding maternity/paternity/family leave, it is important to consider the definition of employment, i.e. under what conditions the parents are considered employed or unemployed. It was noted that the recommendation in an earlier meeting was to use the criterion of looking for work in order to determine whether a person on extended leave should be considered unemployed or economically inactive. It was recommended to separate maternity/paternity leave from family leave in order to analyze this in further detail.

19.   The need for further information on the use of the indicator on actual hours worked per week per household was emphasized.

20.   In terms of commuting time, the importance of focusing on the duration rather than distance of the commute was emphasized. It is important to take into account the type of transport and the infrastructure available in the country when interpreting this indicator.

(d)   Security of employment and social protection

Security of employment

21.   Adding an indicator on the share of employed persons working for temporary employment agencies was suggested. Although a low share of temporary employment may be desirable in terms of security of employment, it was noted that it had to be seen within the context. For instance, temporary employment may decrease at times of economic crisis, as there may be a large number of lay-offs. In addition, employment tenure measured in terms of years with a given employer may not always inform on employment security as a person could have long employment tenure but work on temporary contracts. Employment tenure could increase at times of few new employment opportunities. It was indicated that voluntary and involuntary temporary employment should be considered separately. Use of employment tenure in relation to temporary workers may be preferable rather than just as a general indicator.

22.   It was pointed out that it is important to take into account transitions from employee to self-employed status, e.g. contractor, in measuring security of employment. An increase in self-employment may point to employers becoming unwilling to pay social security for their employees. The interpretation of such changes should be done carefully and keeping in mind the legal framework in the country. It was suggested to include further questions in order to have precise categories within self-employed, especially to identify workers who fall between employee and self-employed, e.g. own-account workers. It was highlighted that own-account workers are often dependent on one client and have higher levels of vulnerability.

23.   The importance of considering the contract type together with information on full-time versus part-time work was emphasized for understanding security of employment, as these workers have different levels of vulnerability, e.g. possibility to find new work if they were to lose their job. In this respect, it is important to design indicators of transition from temporary to permanent employment. Share of employees without formal contracts may be included as an indicator under this dimension.

24.   Perceived job security was mentioned as an important indicator for this dimension.

Social protection

25.   Ageing was highlighted as an important issue for some countries. One proposal was to measure whether people were prepared to work beyond the current retirement age.

26.   There was consensus on removing Public security expenditure as share of GDP, given the difficulty to interpret this indicator within the context of quality of employment. The indicators under this sub-dimension need to be reviewed in terms of interpretability; data availability is less of a concern.

(e)   Social dialogue

27.   The importance of Social Dialogue for measuring quality of employment was reiterated. Although the indicator on average number of days not worked due to strikes and lockouts was not on the latest list of potential indicators, some countries included it in their country reports. The influence of culture on the indicator was highlighted with examples of countries where strikes are a normal means of dialogue and of others where strikes hardly ever take place despite bad working conditions.

28.   The legal framework of industrial relations in the country was highlighted as critical in designing and interpreting relevant indicators.

(f)   Skills development and life-long learning

29.   It was agreed that the indicators on over- and under-qualification needed to be refined. The main problem was characterized by the ISCO and ISCED classifications used.

30.   The existing indicators may be complemented by self-perception information, e.g. whether the training received was the right type or sufficient. Other areas not yet covered were informal training and length and applicability of training.

31.   An indicator on work intensity was considered useful, e.g. share of people usually exposed to tight deadlines, etc. Work intensity could be a reason for not being able to participate in training activities.

32.   The link between skills development and life-long learning and ageing was highlighted.

33.   It would be useful to give breakdowns of the training-related indicators by different groups of employees, e.g. temporary versus permanent, etc. also under this dimension.

(g)   Work place relationships and work motivation

34.   The importance of having specialized surveys for this dimension was raised, as Labour Force Surveys are proxy surveys and the underlying data for the indicators required here could be collected only through interviewing the individual concerned.

35.   The European Working Conditions Survey revealed the involvement of employees in workplace innovations as an important factor for this dimension.