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PARIS GROUP ON LABOUR AND COMPENSATION

REPORT OF THE SIXTH SESSION

LISBON, 29 SEPTEMBER – 1 OCTOBER 2004

Prepared by the Organisation for Economic Co-operation and Development

<< Groupe de Paris >>
on Labour and Compensation

Report of the sixth session
(Lisbon, 29 September – 1 October 2004)

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Foreword

The Paris Group on Labour and Compensation is a "city group" set up early in 1997 in response to an April 1996 recommendation by the UN Statistical Commission's working party on international statistical programs and coordination. The Commission approved the formation of the Paris Group at its 29th session in February 1997. Information about all city groups is available on a UN website at <http://unstats.un.org/unsd/methods.htm#citygroup>.

The Paris Group is an informal gathering of labour statisticians from national statistical institutes, other national statistical agencies and international organisations such as the OECD, Eurostat, and the ILO. The aim of the Paris Group is to examine, assess and reconcile sources of information used to measure the labour market, and to contribute to improving concepts and their implementation. Administration of the Group and organization of plenary meetings is currently undertaken by the Paris Group Bureau. The Bureau responsible for the organisation of the 2004 plenary meeting comprised:

Vivienne Avery	ONS
Manuel Joao Duarte	Portuguese Ministry of Labour and Security
Elizabeth Lindner	HCSO
Olivier Marchand	INSEE
Adriana Mata-Greenwood	ILO
Alois Van Bastelaer	Eurostat
Denis Ward	OECD

Membership of the Bureau is open to representatives from national agencies and international organizations willing to participate in the organisation of plenary meetings of the Paris Group. Such participation may be through attending Bureau meetings and/or providing substantive comment on meeting discussion papers prepared by the Bureau Secretariat for comment. Secretariat work of the Bureau is currently shared by INSEE, ONS and OECD.

The Paris Group Bureau responsible for organising the next plenary meeting comprises:

Vivienne Avery / Margaret Shaw	ONS
Manuel Joao Duarte	Portuguese Ministry of Labour and Security
Elizabeth Lindner	HCSO
Olivier Marchand	INSEE
Adriana Mata-Greenwood	ILO
Anders Sundstrom	Statistics Sweden
Antonio Baigorri	Eurostat
Denis Ward	OECD

Since its creation, there have been six plenary meetings of the Paris Group.

	Host and Location	Topics covered
27-28 November 1997	INSEE, Paris	1. Labour market dynamics 2. Reconciliation of estimates 3. Work duration 4. Self employment 5. Dimension of job quality

6-7 July 1998	ONS, London	<ul style="list-style-type: none"> 1. Longitudinal data and comparisons over time 2. Wages and labour cost statistics 3. Labour market indicators 4. Job search statistics
18-19 November 1999	INSEE, Paris	<ul style="list-style-type: none"> 1. Labour market dynamics 2. Compensation
21-22 September 2000	Orebro (Sweden), Statistics Sweden	<ul style="list-style-type: none"> 1. Labour market dynamics 2. Hours worked
4-5 September 2003	London, ONS	<ul style="list-style-type: none"> Working time measurement - 1. Working time arrangements 2. Measuring hours worked 3. Annual hours of work and other derived products
29 September – 1 October 2004	Lisbon, Portuguese Ministry of Labour and Security	<ul style="list-style-type: none"> Working time measurement – 1. Measuring hours actually worked 2. Definition of annual hours 3. Working time arrangements Preliminary discussion on labour market indicators of ageing labour force

Further information on the Paris Group and reports from most of the above meetings are available on the INSEE website at http://www.insee.fr/en/nom_def_met/colloques/citygroup/citygroup.htm

Participation at plenary meetings of the Paris Group is open to all national agencies and international organisations with an interest in the topic(s) covered by the agenda for that meeting. Active participation by all delegates to these meetings is encouraged. As with all city groups, the "ticket" for attendance is the prior preparation of a brief paper which generally outlines current national practice with respect to the topic, main development issues and views on future directions / development of international standards, etc.

Paris Group Secretariat
February 2005

A. BACKGROUND TO THE 2004 MEETING

1. The 2004 plenary meeting of the Paris Group held in Lisbon on 29 September – 1 October was hosted by the Portuguese Ministry of Labour and Security. The meeting was attended by delegates from 19 countries and three international organizations. The focus of the meeting was continuation of work on working time measurement. In the last session there was preliminary discussion on labour market indicators for the ageing labour force as an area of possible future work for the Group.

2. Meeting sessions on the working time topic were organized around three areas, namely:

- measuring hours actually worked;
- definition of annual hours; and
- working time arrangements.

3. As in the previous years' meeting, the issues covered for each of these areas comprised: the uses of data, measurement issues; cross-classifications of data required; reconciliation and confrontation of related statistics available at the national level; proposals / recommendations for improvement.

4. A key feature of the 2004 plenary meeting was the active participation of national accountants from the OECD, Eurostat, France and Canada in the session on annual hours of work (Session 3). The purpose of this involvement was to ensure that the revised ICLS Resolution coming out of the deliberations of the Paris Group on working time measurement would be suitable for use as labour input measures for the compilation of national accounts and productivity measures. In this context it was of paramount importance to provide input into the SNA revision that commenced in 2004, the aim being to ensure that the two international standards were appropriately aligned and that any existing grey areas were clarified.

5. Paris Group work on working time measurement is intended as a prelude to the revision and enhancement of existing international guidelines and recommendations in this area. Because of the importance of the topic, delegates at the London meeting held in September 2003 felt it was necessary to (largely) devote the 2004 plenary meeting to continue work on the evolution of international standards on working time measurement and working time arrangements, covering both conceptual issues and practical measurement problems. A report from the 2003 meeting summarising the discussions and recommendations of the Group for future work on these topics was submitted to the 17th International Conference of Labour Statisticians (ICLS) in November/December 2003. The ICLS itself further identified the need to revise the existing Resolution on working time measurement (which dates back to 1962) and requested the Paris Group undertake further work in this area as a prelude to a revision of the Resolution at the 18th ICLS, tentatively scheduled for 2008.

6. As mentioned above, the sixth session held on the third day of the 2004 Paris Group meeting was devoted to preliminary discussion on a new topic, labour market indicators of the ageing labour force. This topic received considerable support, both in national responses to the invitation letter to the September-October meeting and from the

United Nations Statistical Commission meeting at the beginning of March 2004. Time restrictions permitted only an initial foray into this topic.

7. Finally, each participant at the 2004 plenary meeting was asked to prepare a 5 page summary paper outlining current national practice with respect to measurement, and their suggestions for a revised ICLS Resolution on any one of the three substantive topics covered in the meeting agenda listed above. In addition, a smaller number of national agencies gave presentations on these topics. All papers are available on the Paris Group website cited above.

B. SUMMARY OF DISCUSSION

8. Given that the ultimate output of Paris Group work on working time measurement is a revised ICLS Resolution on this topic, the following summary of the discussion at the 2004 plenary meeting is presented under the possible headings of a revised Resolution. Further information on some of the issues discussed is available in the meeting papers specified in the footnotes. These papers are available on the Paris Group meeting website cited above.

9. The primary output from this meeting is a document outlining content proposals for the Resolution. This document, which provided the focus for the meeting, was prepared initially by the ILO using suggestions and recommendations, etc, included in the short national papers prepared prior to the 2004 meeting. A revised version of the document incorporating elements of discussion in Lisbon is included as an appendix to this report.

1. Working time measurement

a. Conceptual framework

10. One of the objectives of the 2004 meeting was the preparation of a conceptual framework for measuring hours worked. The main aims of such a framework are to clarify concepts, linkages between key concepts and provide a conceptual basis for decisions regarding the actual measurement of those concepts. The need for a framework was discussed in London in 2003, though primarily in the narrower context of working time arrangements. There was support in Lisbon for the inclusion of a framework somewhere at the beginning of a revised Resolution on working time measurement, though the idea was to extend the scope of the framework beyond working time arrangements. The five main elements of an expanded framework could entail:

- placement of working time in a **general framework for the use of time**. A general conceptual scheme of hours of work presented by Italy¹ offered possibilities for further elaboration. This scheme placed the different categories of work in a four cell table: paid / not-paid; worked / not worked, though the current placement of the components in each of the four cells may need to be looked at further. Such a general framework could perhaps be further expanded to include time not worked (i.e. on activities outside the SNA production boundary), etc. There was considerable support in Lisbon for the notion that a definition of annual hours limited to the concept of actual hours could be too narrow for labour market analyses and that a definition of annual hours of work on the basis of hours paid should also be included in the revised Resolution. Such a need arose out of relevant differences between hours worked and hours paid and hours not worked and not paid. However, it was also felt that the treatment of absences in the revised Resolution should be consistent with the existing definition of employment (in the 1998d Resolution);
- a precise **linkage of “hours actually worked” to time spent producing goods and services within the SNA production boundary**. The revised Resolution may need to be prescriptive in this area, though there are a number of grey areas which were discussed in the session covering the definition of annual hours (see Section B.1.e below). The concept of working time in the 1962 ICLS Resolution (“hours actually worked during normal working time”) is considerably less relevant now in most countries and any revised definition would need to consider the inclusion or exclusion of the working time for: the self-employed; unpaid overtime or extra work; hours worked at home; on-call hours, personnel training or education,

¹ See page 3 “The Measurement of annual hours of work” presented by ISTAT

hours worked in main and second jobs; etc. In this regard, a decision could be made on the uniform application of a small number of criteria or principles²;

- the preparation of a **crosswalk between key working time measurement concepts**, in particular, between the key concept of “hours actually worked” and related concepts of normal hours, usual hours, and paid hours;
- making a clearer **distinction between hours worked per job and hours worked per person** and the uses of both types of data. A number of countries expressed the view that issues of jobs v. persons concerned both use and measurement and that because of the prevalence of multiple job holders in some countries there was a need for statistics to be compiled on both bases;
- **linkage between working time measurement concepts and how “working” hours are actually arranged.** The explosion in the variety of working arrangements in place in almost all countries makes the old dichotomy between “normal” work and “alternative” working time arrangements (see Section B.1.f below) significantly less relevant today. The current situation is more accurately described as a continuum of working arrangements defined on the basis of a limited number of dimensions such as: number of hours; stability of those hours; and their scheduling (see Section B.1.f below).

11. Discussions in Lisbon also highlighted the importance of ensuring that any framework (and definitions) included in a revised Resolution on working time measurement should be consistent with and aligned to other relevant existing international guidelines and recommendations³. In addition to the SNA, these include other ICLS Resolutions such as the October 1982 Resolution concerning economically active population, employment, unemployment and underemployment adopted by the 13th ICLS.

12. There was also considerable discussion of the elements of the conceptual framework outlined above in the context of the main uses of working time statistics. These were labour input and labour market analyses. Although the former were considered to be very important (for national account and productivity purposes) several delegates at the meeting emphasized that labour input was not the only use and that recommendations in a revised Resolution should also meet the needs for labour market analyses. In the main, it was considered that the broad conceptual requirements of the two main uses of the statistics were not necessarily inconsistent with each other. However, it was felt that the measures proposed would be further clarified if the new Resolution included a list of the major uses together with target measures that should be used.

13. The Resolution could also include a component approach whereby estimates are provided for key work or work-related components (travel time, training time, etc.) for users to create different measures for different uses. Thought would need to be given as to the level of component detail to be provided in the new Resolution. Some of the detail that would not necessarily find its way into the Resolution could instead be separate Paris Group output or recommendation. Obviously, the availability of data for the different components would ultimately

² See principles underlying the measurement of hours worked outlined on page 1 of the Canadian paper prepared for Session 2, Measuring Hours Actually Worked.

³ For example, some doubt was expressed at the Lisbon meeting on consistency between the ILO and SNA as to whether the owners of unincorporated businesses could be treated as employees or employers.

be determined by the constraints of data collection, e.g. number of additional questions required, limitations of data sources, etc.

b. Definitions of key concepts

14. Discussions at Lisbon highlighted the importance of ensuring a common understanding of key concepts relating to working time statistics and the inclusion of such definitions early in the revised Resolution (perhaps even before the conceptual framework) is considered essential to at least minimize any ambiguity in the Resolution itself. The concepts considered for inclusion in the Resolution were:

- actual hours.
- paid hours
- normal hours of work (together with any difference to the usual hours concept);
- usual hours;
- contractual hours
- absence from work
- on-call hours
- travel time to work
- overtime
- jobs
- persons
- self-employed

15. Because the components of these concepts may vary according to their intended use (in particular, hours worked) it would be difficult to formulate a simple harmonized definition. Therefore, rather than focusing on “labels”, the definitions included in the revised Resolution could be in the form of a component table referred to above. The concepts could also be defined through sets of core and supplementary data items specified in the new Resolution. For example, the key issues for the concept “overtime” are whether or not it relates to hours worked in addition to “standard” or contractual hours specified on the basis of a day, week, month or year and if paid (directly or in terms of time off) or unpaid. Finally, care should be taken to avoid using the same label for a term where the component items differ.

16. Finally, in order to ensure consistency, the starting point for the formulation of definitions for the concepts listed above (and perhaps others) would be relevant existing international guidelines and recommendations⁴.

c. Measurement of working time

17. The discussion of measurement issues in Lisbon focused on current national practices with respect to the main sources of working time statistics, i.e.: household based surveys (LFS and TUS); enterprise / establishment surveys; and administrative registers and what should be included in the revised Resolution on measurement. Most countries derive working time statistics from each of these sources, though in some instances there was strong preference for data derived from one source over others for that country. This preference was largely a function of

⁴ Some of these (hours actually worked; normal working hours; hours paid; usual working time) are summarised in Attachment 1 of the background paper (“On the Estimation of Hours Actually Worked” prepared by ISTAT. These definitions are derived from ILO; SNA 93; ESA 95 and other Eurostat standards.

the perceived relative strengths of the preferred data collection. Recent work involving the confrontation of data from different sources was also presented and discussed, e.g. infra-annual LFSs with time use surveys, but frequently the precise reason(s) for differences were difficult to ascertain with absolute certainty and required more research. Although some of the differences might be culturally based, some general observations which could lead to suggestions for improvements to data collection instruments and processes might be possible.

18. There was considerable discussion of the main strengths and weaknesses for each source, and it was generally recognized that no single source would be able to provide direct measures of all the main concepts outlined above for each intended use. Preference for the direct rather than indirect measurement of key concepts was again highlighted though use of indirect measures (through adjustment) for some concepts (or some components of some concepts) was unavoidable.

19. It was also generally felt that the revised Resolution should avoid stating any clear preferences of one source over another and should restrict itself to an objective assessment of the strengths and weaknesses of each source for measuring the key concepts⁵ together with guidance on how to maximize the quality of data obtained from each source. Given the breadth of the diversity of the data collection environment between the countries attending the Lisbon meeting, let alone in developing countries, achieving harmonization of collection instruments would be a lost cause and therefore the focus of the Resolution would be guidance to maximize the quality of outputs from any given source, recommendations on the use of multiple sources to derive key working time statistics and output harmonization.

20. Given the expected “life” of any new Resolution on working time (the current Resolution being published in 1962), countries also believed that guidance provided by the revised Resolution to maximize the quality of different sources of information should anticipate as far as possible emerging trends, such as greater use of administrative records, and types of working arrangements that are still in their infancy with regards to prevalence.

21. Several papers prepared for the meeting⁶ outlined recent studies involving comparisons of data derived from different sources. Other countries presented empirical studies to assess the quality of data of key components of hours worked (e.g. overtime hours and hours of absence) derived from existing ongoing collections⁷ or comparing different formulations of questions on working time⁸.

22. Strategies for integrating data from several sources again depend on the national data environment (e.g. availability, quality, level of detail), and could for example entail: the ongoing confrontation of two frequent sources (LFS, ES and AR); the confrontation of a frequent source with periodic or ad hoc surveys (such as TUS); or more ad hoc empirical evaluation of an existing collection instrument. In this context several countries mentioned institutional barriers and problems of communication where different sources were compiled by different parts of the

⁵ See conclusions on page 15 “User demands and their consequences for the measurement of working time” – prepared by Statistics Denmark for Session 2.

⁶ For example, “Definition and measurement of actual hours worked: Finnish Experiences” – Statistics Finland; and “Hours Measures for Productivity Measurement and National Accounting” – US Bureau of Labour Statistics

⁷ For example “Hours of Absence, Overtime Hours and Hours Actually Worked” – Statistics Sweden; and “Could the reference to the week preceding the LFS-interview bring some bias in measuring actual hours?” – Swiss Federal Statistical Office

⁸ See “Preliminary report on the study *Measurement of Working Time*” – National Statistical Institute, Spain

organization with resultant inconsistencies in concepts and/or insufficient knowledge of transformation processes required to derive some measures.

d. Presentation issues

23. Presentation issues relate both to how working time statistics are actually presented and the types of adjustments made to data derived from one or more primary sources. A factor complicating international comparisons of working time statistics are the different presentation practices applied by countries. This concerns not only their presentation as weekly, monthly or annual averages but, more importantly, differences in how the measures are actually calculated through adjustments to data derived from various sources and the purpose(s) for the calculation of different forms of presentation. In this context, the 1962 ICLS Resolution only provides specific reference to the week as the preferred reference period, though it does state that other reference periods could be useful. Differences in the actual calculation includes differences in the subsets of workers included, e.g. at work / not at work and methods for extrapolating data for a limited period during the year (e.g. month, week) to derive annual averages. The main issue regarding extrapolation are the types of corrections for annual leave, absences and working arrangements that fall outside the reference period used.

24. Again, because of the diversity of national data environments the revised Resolution needs to focus on a range of harmonized outputs and provide guidance on standard presentations for both long (annual) and short (weekly) average reference periods with specific statements on inclusions and exclusions based on the various uses of the measure. Estimates for different groups of workers could be specified where there were large differences in average hours as in the 1962 Resolution (in para. 15).

25. Of particular concern for a number of countries at the Lisbon meeting was the treatment of part-time workers where different practices resulted in misleading comparisons of average annual hour estimates. The revised Resolution will need to provide specific guidance on how such workers are to be incorporated in the calculation of annual hour averages, particularly in the context where there is unlikely to be an international definition of part-time work expressed in a single hourly cut-off.

e. Use of hours worked in derived products

26. Although discussions at the Lisbon meeting focused on the definition of annual hours for labour input purposes, there was agreement on the need for the revised Resolution to have appropriate balance with respect to other uses, insofar that varying uses had different requirements. There was recognition of the opportunity to further align key international guidelines and recommendations for labour input purposes provided by current revisions to both SNA 93 and the ICLS Resolution on working time measurement. From a labour input perspective for productivity measures, etc, the aim is to ensure that the GDP numerator is consistent with the labour input measure used in the denominator, i.e. total annual hours worked. For the latter this implies consistency with respect to the coverage of the self-employed, measurement of the underground economy and the use of the domestic concept of employment. For labour market analyses the key measure is total average annual hours.

27. As mentioned above, the Lisbon meeting brought together both labour statisticians and national accountants where national accountants from France and Canada outlined their extensive transformation and imputation processes for the conversion of original labour force

data into national account adjusted estimates⁹. There were also presentations on the use of hours statistics for productivity measures based on different sources¹⁰.

28. The main themes discussed in Lisbon on the definition of annual hours were the:

- possibilities for improving the quality of labour force data provided to national account areas to either minimize the need for some adjustments or imputation to be made by them or to improve their robustness. For example, there is a need for a number of grey areas concerning working time hours to be clarified regarding their inclusion or exclusion from the production boundary in the SNA. The main grey areas discussed in Lisbon were:
 - unpaid overtime or extra work;
 - hours worked at home;
 - passive activities (with the exception of those specified in para. 5(d) of the 1962 Resolution (i.e. time spent at place of work waiting or standing by for such reasons as lack of supply of work, breakdown of machinery, or accidents, or time spent at the place of work during which no work is done but for which payment is made under a guaranteed employment contract));
 - personnel training or education including training on the job, training required / financed by the employer to improve efficiency on the job / benefit employer, non-job specific training / education paid by the employer as a bonus;
 - non-commuting travel time to work.

The emphasis here is primarily on clarification rather than substantive revision to the SNA and to ensure that weaknesses in the 1962 Resolution that are rectified in the revised ICLS Resolution are carried through to the new SNA in order to ensure continued alignment of the two standards. In order for any grey areas to be considered in the current SNA revision process the Paris Group will need to formally approach the ISWGNA by early December 2004;

- priority that should be given to hours statistics based on jobs rather than persons. At the moment the SNA focuses on jobs even though many countries can only provide data based on persons. The availability of jobs v. persons data was largely a function of the main source of hours data available (i.e. LFS v. ES). Countries at the Lisbon meeting outlined the uses for both concepts (e.g. jobs data being more suited to industry / sector analyses and persons data for incomes analyses). It was felt that the new Resolution could state the need for data based on both concepts, recognizing that one could be regarded as supplementary data;

⁹ In late 2004 OECD and Eurostat will launch a joint questionnaire to gather information from countries that will explain the differences between original labour force statistics and national account adjusted estimates. An attempt will be made to quantify each adjustment. The adjustments covered in the questionnaire cover those for employment (stocks to flows; persons / jobs, jobs / persons; adjustments for coverage (military, other collective households, territories, residents working outside, residents working inside; unobserved economy; other) and for hours worked (annual leave and holidays; sick leave; strikes and temporary layoffs; paid but unreported overtime; unpaid overtime).

¹⁰ See "Hours Measures for Productivity Measurement and National Accounting" – US Bureau of Labour Statistics, presented in Session 3

- need for labour force statisticians to have a clearer understanding of both the types of data disaggregations required for labour input purposes and data transformation processes and imputations undertaken by national accounts areas. Labour input requirements and preference for measures of total average annual hours data is already established but what is less known are the precise disaggregations, e.g. activity, regions, sector (business (market / non-market), government, NPISHs), category of worker (employee, self-employed employer, own account self-employed) that are required. For labour market analyses disaggregations by age categories and gender are also required. There is a need for the revised Resolution to specify the types of disaggregations required. The need for such clarity extended beyond average annual hours statistics and also included employment data ;
- need for the revised Resolution definition to expand coverage to all employment types (wage earners, salaried employees and in particular, the self-employed. The 1962 Resolution applies only to wage and salaried employees. A number of the grey areas listed above for clarification in the SNA also need clarification in a revised Resolution (in particular: unpaid overtime or extra work; passive hours; personnel training or education; non-standard travel time to work;
- need for the revised Resolution to be more precise with regards to the employment measure to be used in the denominator for the derivation of average annual hours. Para. 12 (3) of the 1962 Resolution merely states that averages should be obtained by dividing aggregate hours by the total number of persons of whom hours of work have been counted. Whilst the current Resolution emphasizes the need for consistency between the denominator and the numerator it offers no guidance on which employment concept the denominator should be based and the range of working arrangements that the concept should include;

f. Working time arrangements

29. During the Lisbon meeting working time arrangements were discussed both in the context of labour input and labour market analyses, the latter in relation to issues such as work-life balance, health and safety, etc. There was agreement regarding the overall need to ensure that hours worked in all relevant working time arrangements were incorporated into measures of hours worked, paid, etc. Because of the large number of such arrangements, the different names applied to them in different countries¹¹ and the blurring of the boundaries (and overlap) between different arrangements, terminology is an issue in the setting of international standards in this area. It was felt that a revised Resolution should only define a very small number of key working time arrangements and that the emphasis should not be on formal titles for the different arrangements but instead on their description on the basis of a framework comprising a minimum number of key dimensions or characteristics which the Resolution would recommend the collection of data as core items. Information on these core characteristics would then form the basis of international comparisons of working time arrangements.

30. As mentioned in Section B.1.a above in the discussion of the conceptual framework for working time statistics, working arrangements are more appropriately seen as a continuum comprising a multiplicity of arrangements defined on the basis of a limited number of measurable dimensions. There was discussion in Lisbon on making the distinction between formalized working time arrangements themselves (WTAs) and the measurable dimensions that

¹¹ See page 3, “Notes on possible working time arrangements statistics development”- ISTAT

characterize such WTAs which collectively could be referred to as working time patterns (WTPs)¹². WTPs could comprise:

- number of hours. This could entail the measurement of the length of time spent on work activities on the basis of an appropriate measure(s), e.g. actual, normal, contractual or usual hours;
- the variability (or stability) of those hours on daily, weekly, monthly or annual time scales; and
- when those hours are worked (i.e. the scheduling of time spent on work activities). Includes measures of the extent to which people work outside “standard” (i.e. regular hours, Monday to Friday, during daytime, core v. non-core time) arrangements and the ability to work extra hours in order to take time off.

31. After some discussion it was felt that the location where hours were worked (at home, etc) was not considered to be a key pattern for defining working time arrangements¹³ but for purposes of labour market analyses could be included in a supplementary list of variables (see below).

32. For more detailed labour market analyses the Paris Group identified the following supplementary variables on working time arrangements that could also be listed in the revised Resolution, though these would be considered optional¹⁴:

- duration of the arrangement;
- the contractual situation (i.e. whether or not spelt out explicitly in a formal working contract or are in the nature of an informal understanding);
- the control workers have in the setting of working time patterns (i.e. the extent to which the pattern is chosen or imposed);
- the predictability of the arrangement over the week, month, year (i.e. the advance notice given to workers);
- location of employment (i.e. at home, etc).

33. With regard to measurement of WTPs the Paris Group believed that the revised Resolution should provide guidance on the strengths and weaknesses of each of the main sources of statistics on working time arrangements¹⁵ with respect to the collection of information on both the core items on working time patterns and supplementary items listed above. Issues discussed here included:

- the possible restriction of WTA statistics to employees or whether or not to include the self-employed. For labour input purposes, hours worked by the self-employed under different

¹² See page 2, “Measurement issues on overtime working and annualised working time schemes” – DARES, France

¹³ Refer ISTAT paper, op. cit. Footnote 10 above.

¹⁴ Some of these supplementary items are described in detailed in the paper “Working time arrangements: Suggestions for data items based on experience in Australia” – Australian Bureau of Statistics

¹⁵ The DARES paper (op. cit. footnote 10) outlines the advantages and disadvantages of the alternative / complementary sources of information on WTAs.

working time arrangements would need to be included in measures of actual working time. However, for labour market analyses some of the supplementary variables listed above would not be relevant for the self-employed and priority would be for data on employees;

- the need to make the distinction between formalized WTAs specified by law or by contract and their informal application within business. It is the actual application of the myriad of arrangements that is of interest in working time statistics;
- the compilation of WTA statistics for second jobs and whether or not the analytical unit is the job or the person. Ideally, information with respect to second jobs should be collected, however, there was recognition of limitations in collecting detailed information for these on a regular basis from LFS. For some types of WTA analyses (duration, location, control, predictability, variability) the job is the appropriate analytical unit, whereas for other (work-life balance) it would be the person;
- reference period that should be used for the data items and whether or not questions should ask about the “usual” situation. The main difficulties here are that some people may not have a usual situation” or that the normal cycle within which various working time arrangements are worked can be 12 months or more.

34. The issue of whether or not to include a definition for part-time work in the Resolution was considered again in Lisbon, the general opinion (again) being that reaching international agreement on a single hour cut-off appropriate for all countries would not be possible. Given the importance attached to the part-time concept in the user community it was also considered necessary for the Resolution to provide some guidance in this area. Such guidance could be restricted to recommending the compilation of annual hours worked statistics to include specific groups of workers (to be specified in the Resolution) such as part-time workers and that the presentation of statistics by countries using a full-time / part-time dichotomy should be accompanied by their national definition expressed in hours. A distribution of hours worked on the basis of a set of defined discrete categories (e.g. 0 -14, 15 – 29 hours, etc) in the Resolution might be more useful as an indicator of type of work. International organizations would request the provision of hours worked data using such categories to facilitate comparisons of such arrangements in different countries.

2. Preliminary discussion on labour market indicators of the ageing labour force

35. As mentioned above in the Background to the 2004 Paris Group meeting, discussions on the ageing topic were primarily intended to identify specific statistics labour statisticians have been asked by users (in particular by government) to provide, together with definitional / conceptual issues and measurement problems, etc, surrounding these statistics. Given that an ageing labour force will impact on almost all OECD and European Union countries over the next few decades the purpose of the discussion in Lisbon was to identify specific areas of possible future work by the Paris Group in this area, under the broad umbrella of ageing. During this session delegates from Australia¹⁶, United Kingdom and Canada presented their organisation’s response to user request for statistics on this topic.

¹⁶ See “Labour Market Indicators of an Ageing Labour Force in Australia” – Australian Bureau of Statistics

36. The questions that labour market statisticians need to answer on ageing that were summarized in the United Kingdom¹⁷ paper included:

- how is the size and composition of the labour force changing (demographic changes in labour supply, changing industry / occupation base of the workforce; measures of reasons for inactivity and labour market attachment; changes in economic activity / inactivity rates);
- what are the patterns / trends in exits from the labour market (when do people leave the labour market and how can this be predicted; who are the retired; why do people leave the labour market; why do some people return to the labour market?); and
- how does the working environment need to change (greater flexibility in terms of hours worked and location of work; emphasis on skills / training / learning; use of new technology; impact on productivity)?

37. Almost all countries at the meeting considered these issues to be of importance, however, there were differences in the ways organizations represented at the meeting were tackling them. A small number took a holistic approach by systematically identifying user needs and reviewing the ability of existing data sources to provide data to address those needs. The majority of countries tended to address the issue of ageing through the fine tuning of existing data outputs. There was agreement that there were a number of terms that required clarification from an international context, e.g. retirement, early retirement, skills shortage, etc.

38. With regards to future work of the Paris Group on ageing the overall consensus of the meeting was that the ageing labour force was a very broad topic and that the focus of the next plenary meeting would be consideration of a draft ILO Resolution on working time measurement. Future work by the Group on ageing would focus on specific aspects related to the topic such as:

- labour utilization / underutilization and the potential labour supply among the economically inactive. Issues include barriers and incentives, integration of younger workers, retention of older workers, training of mature workers, etc;
- impact of population structure on indicators – recommendations on the standardization of key ageing related concepts and measures that would facilitate international comparisons;
- projections – including average age, age dependency ratios, links to economic projections;
- patterns of retirement – average age; rate of retirement, reason (choice / obligation), phased, retirement intentions, recommendations on common terminology;
- measurement – use of a variety of sources, on-going / ad hoc, longitudinal studies that follow people over time.

¹⁷ See Powerpoint presentation, "Ageing of the labour force: what indicators do we need?" – UK ONS

C. OUTCOMES FROM MEETING AND FUTURE WORK OF THE PARIS GROUP

Working time measurement

39. The primary output from the 2004 Paris Group meeting in Lisbon in relation to working time measurement is the document outlining the possible content of a revised ILO Resolution on working time. This document incorporates ideas, etc, presented in national papers submitted prior to the meeting and from discussions at the meeting in Lisbon in September / October. The document is provided as an attachment to this report.

40. Once a final consensus has been reached on the content of the Resolution the next step will be the preparation of a draft Resolution on working time measurement. The draft would utilise in more detail recommendations and other relevant content from some of the papers and from discussion at the 2004 meeting. This draft will be the focus of the next meeting of the Paris Group and to which attendees at the meeting will be asked to provide written comment prior to the meeting.

41. In addition to any recommendations and guidance, etc, in the draft Resolution itself, it should be noted that the current version of the content paper identifies several specific areas where further discussion is required. These could be the subject of short highly focused papers to be prepared prior to the meeting for discussion. They include:

- formulation of a definition of normal hours of work and differentiation to the usual hours concept;
- approaches for obtaining better measures of hours actually worked for the self-employed;
- approaches for obtaining information on absences from work for reference periods of different lengths (week / month).
- the types of guidance the revised Resolution could provide on the use of frequency distributions of hours worked rather than averages of hours worked. Guidance would also include the appropriate measure(s) to be used, e.g. normal, usual, actual hours, etc;
- strategies concerning improvements for collecting data from establishment surveys.

42. The draft revised Resolution and consideration of these issues will be the focus of the next plenary meeting of the Paris Group.

43. Finally, the Paris Group Secretariat will forward to the International Secretariat Working Group on National Accounts (ISWGNA) a list of grey areas in SNA 93 in which clarification is sought with respect to labour input measures in the current revision of the SNA. The grey areas include: unpaid hours or extra work; hours worked at home; passive activities; personnel training or education; non-commuting travel time to work.

Ageing of the labour force

44. The future work of the Paris Group on the ageing topic was discussed at the concluding session of the Lisbon meeting. The general preference was to restrict the Group's work to one or

a small number of narrowly defined issues related to ageing such as those outlined in para. 38 above. Possible issues are presented below:

- labour utilization / underutilization – barriers and incentives, integration of younger workers, retention of older workers, etc;
- impact of population structure on indicators – recommendations on standardization for international comparisons;
- projections – including average age, age dependency ratios, links to economic projections;
- patterns in retirement – average age; rate of retirement, phased, choice or forced, intentions, recommendations on common terminology for key ageing related concepts.

45. The Paris Group Bureau will review these topics for possible future work both in the context of any previous consideration of them by the Paris Group or the OECD Working Party on Employment and Unemployment and on the nature of tangible outputs the Group could produce.

Organisation of the next Paris Group meeting

46. The Paris Group Bureau will prepare recommendations for the next Paris Group meeting in early 2005 for consideration by attendees at the 2004 plenary meeting and heads of relevant national agencies and international organizations. As stated in the Forward to this report, membership of the Bureau is open to representatives from any national agency or international organization willing to contribute to the organization of plenary meetings of the Paris Group. Organisations wishing to nominate themselves should contact any member of the Bureau's Secretariat listed at the conclusion of this report.

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Appendices

OUTLINE OF POSSIBLE CONTENT OF A REVISED ICLS RESOLUTION ON WORKING TIME STATISTICS

1. This paper outlines the possible content of a revised ICLS Resolution on working time statistics. The revised Resolution would contain a number of specific recommendations on concepts and definitions and requirements for the different uses of working time statistics. It would also provide guidance on measurement for the major sources of data. Given the expected “life” of the revised Resolution the contents should be as forward looking as possible and include issues which are still embryonic at this stage but which are expected to become more significant in future.

2. The current paper incorporates ideas and themes both from papers prepared for the 2004 Paris Group meeting in Lisbon on working time measurement and discussions at this meeting. Following receipt of further input on this paper from Paris Group meeting delegates a first draft of the actual Resolution could be prepared for the next Paris Group meeting. The paper also identifies several areas where further discussion is required and these could be the subject of more specific papers to be prepared for the next meeting.

3. The paper is structured as follows. It begins with a framework outlining the main conceptual elements of working time measurement, highlighting their relationship to each other and to related international standards such the System of National Accounts (SNA). The definitions of key concepts, etc., in the second part are intended ensure a common understanding of these concepts. The third part of the paper provides an overview of the various sources of information for statistics on working time and includes suggestions to improve the quality of the output from each source. Part 4 provides guidance on harmonisation for the presentation of statistics on working time. Part 5 deals with the requirements for the different uses of hours worked statistics such as labour market analyses and national account labour input, and Part 6 outlines working time arrangements.

1. Conceptual framework

4. The conceptual framework presented in a revised Resolution could contain the following elements:

- a. A presentation of working time in the context of a general framework for the use of time: working time is one component, absence from work another, time not worked but spent doing non-SNA work yet another, etc. This has been the main idea driving a revision of international statistical standards on working time and the four-cell table put forward in the Italian paper¹⁸ could be useful in this respect. The conceptual framework could also explicitly mention the concept of “time use” and how hours can for example be measured in a time use survey as part of a continuum of all uses of time as well as hours specifically relating to work.
- b. Linkage of the “hours actually worked” concept to time spent producing goods and services within the production boundary of the SNA. A number of country papers, Canada's in particular¹⁹, outline a number of principles which will be helpful in drafting a draft proposal. As a corollary, hours actually worked would include all productive periods and include

¹⁸ The Measurement of annual hours of work – Luisa Picozzi; Leonello Tronti, ISTAT

¹⁹ Measuring Hours Actually Worked – Jean-Pierre Maynard; Lucy Chung; Deborah Sunter, Statistics Canada. Refer page 1 for an outline of the principles underlying the measurement of hours worked.

unproductive periods only insofar as they cannot be isolated from productive periods or are considered essential for productive periods (e.g., short breaks). The actual hours concept should also be presented in the context of working time arrangements (WTAs) – see below.

- c. A crosswalk between various key concepts, most notably between normal hours, paid hours and hours actually worked, even if limited to a subgroup of workers. A number of countries proposed to view hours actually worked as a derived measure from “normal hours of work”. This is an attractive approach, because it is “clear and clean”. However, it should be remembered that normal hours of work do not apply to all workers, but only to workers in paid employment who have an explicit working contract which explicitly states a number of hours which are expected to be worked. In many countries the number of workers to whom “normal” hours applies is shrinking. Therefore, in this context a measure of hours actually worked that is useful for the SNA and labour supply analysis and for international comparisons cannot be compiled in many countries, even for workers in paid employment, on the basis of normal hours of work.
- d. Working time arrangements (WTAs) in order to show their relationship to other key working time concepts, in particular, to actual working time. There is a further need to understand such arrangements because of their greater prevalence and diversity. This is not only because of their importance in their own right for understanding the labour market, but also because it is necessary to understand a person’s WTA in order to measure actual hours effectively. The identification of a person’s WTA is a fundamental first step towards being able to define and measure their actual hours of work.

5. This part of the Resolution should outline the different uses of working time statistics, also emphasising that different uses require the inclusion or exclusion of different work-related components. The revised Resolution should present a list of major uses together with the corresponding target measures that should be used. It may want to introduce the notion of a component approach whereby estimates are provided for a number of important work or work-related components (e.g., commuting time, lunch breaks, training time, etc.) for users to create alternative measures for different uses.

6. Finally, this part of the Resolution should ensure that the conceptual framework is also linked or placed in context with other relevant international statistical guidelines and recommendations in addition to the SNA and other ICLS Resolutions.

2. Definitions of key concepts

7. The revised Resolution should include definitions for a limited number of key concepts relating to working time measurement. The definitions would be formulated within the context of the international concept of employment (adopted by the 13th ICLS in 1982) and thus, in the context of the SNA production boundary. Such key concepts include:

- a. Hours actually worked, using the current definition as a model. This definition needs, however: (i) to be enlarged to cover all workers (including the self-employed); (ii) to request a more detailed disaggregation by industry; (iii) to be measured for persons in employment as well as for jobs, and for the domestic as well as the national concepts of employment; and (iv) to provide specific guidelines regarding the treatment of activities which are not directly “productive” but which happen at the same time with, and are difficult to separate from, productive activities. Regarding this last item, however, no real consensus has been reached and more discussion and research is needed. Some of these issues may become less important if the component approach referred to in para. 5 above is adopted. For example:

- (i) there are different views on the inclusion or exclusion of training. Some country papers stated that training time should not be considered as working time for statistics, even if paid by the employer. EU Regulations regarding the LFS do not specify what is included in hours of work. In the accompanying methodological guide to this Regulation, time spent in school or other special training centres is not to be included in the case of apprentices, trainees and other persons in vocational training. This applies to both the measure of “usual hours worked per week” and the “actual hours worked during the reference week”.

Other countries proposed to include training time that is paid by the employer, and others only that which is required and paid by the employer (and exclude all unpaid training as well as all paid training which is not required by the employer). How to distinguish such training time in practice is a matter that would require further research and discussion;

- (ii) some considered that time spent on “call work” should be included only if paid by the employer, others only if actually worked and paid by the employer;
- (iii) some considered that travelling time for work should count always as an hour of work, others only when it does not imply taking (long-distance) planes or trains (in the case of professional jobs);
- (iv) some considered that “stand by time” should be included if it happens at the place of work or is paid (stand by time tends to be a paid employees issue);
- (v) some considered that hours worked at home or other places should be included, whether paid or not.
- (vi) But there was little discussion regarding the inclusion or exclusion of rest periods (for example, how short should they be).

- b. Paid hours, even if only a general definition can be arrived at. The Resolution should nevertheless indicate that the content of paid hours varies even from one establishment to the next, depending on payment practices (even from one worker to another), within the same country, and therefore that international comparability of the statistics on hours paid cannot be achieved.
- c. An alternative definition of normal hours of work, which in current standards is a collective concept, to portray current trends of individual working contracts. Such a new concept would be an individual concept, and would be closer to “contractual hours”. Some discussion would be needed regarding whether time not worked due to vacation and holidays should be excluded from such “contractual hours” concept, as suggested by the Netherlands, or not. Implementation of this suggestion may be complicated as “leave entitlement” may not coincide with “actual leave taken” in practice, for any reference period (whether short or long). There is also the issue that exclusion from this concept could lead to an inconsistency for this aspect between the key definitions of actual hours, normal hours and paid hours. Does this matter, or would such differences reflect the differences in usage of these concepts?
- d. Usual hours of work. Although no papers were presented at the 2004 meeting on this concept developmental work has been carried out in a number of countries (and in the ILO). Furthermore, some countries (e.g. the UK) collect and publish usual hours on a regular basis. There is currently a blurring between this concept and the normal hours concept in some countries, hence a need for clarification in the revised Resolution.

e. Other key concepts that will be defined in the revised Resolution include: overtime; absence from work; commuting time; time spent on non-SNA work. A revised definition of jobs and persons is beyond the scope of a resolution on working time. ISCO-88 already includes an international definition of a “job” A more complete definition was also developed by the ILO in their work with Labour Accounting Systems, and this definition was incorporated (more or less) in the SNA (Paragraph 17.8). Differences in job definition in these sources would need to be outlined

8. When defining absence from work, the Resolution may want to distinguish time not worked due to vacations, holidays and flexitime separately from other absence from work, e.g., due to sickness, strikes and other time off. This was a recommendation of the 14th ICLS. The revised Resolution would also need to outline the purpose for defining absence from work, e.g. for deriving / defining actual hours of work and the use (if any) for the compilation of separate statistics on absences.

3. Measurement of working time

9. This part of the Resolution should commence with an outline of the different primary sources of working time statistics. These comprise: employer, establishment or business surveys (ESs); household-based, including labour force and employment, surveys (LFSs), and time use surveys (TUS); and administrative registers (ARs). A number of countries at the 2004 meeting emphasised that the revised Resolution should not recommend one specific data source over another but should focus on the provision of a conceptual framework that countries could approach with the best data available for their individual national circumstances. If possible, measurement issues that could vary significantly across countries should be excluded.

In this context it was generally accepted that the Resolution should contain a balanced presentation of the main characteristics of the statistics produced by each source and their relative strengths and weaknesses in terms of the target concepts. These may vary according to their intended use. Emphasis in subsequent parts of the revised Resolution will then be given to the various tradeoffs required on the use of different sources and recommend the use and confrontation of data derived from different primary sources to derive target estimates of working time and identify possible areas of bias. For example, comparisons between ES and LFS data may show that LFS estimates are higher for similar populations, perhaps because of problems in business register coverage and lack of unpaid overtime information.

The Resolution should cover both strengths and weaknesses with respect to measurement issues for the primary sources. With regard to weaknesses it should specifically mention the:

- a. problem of proxy response to obtain information on hours worked in LFSs and other household surveys and in establishment surveys in the absence of detailed records for some of the working time components. Proxy respondents cannot know details regarding absences or overtime during a particular reference period (and will tend to provide information on usual hours instead of actual hours). Ideally, such information should be obtained directly from the workers, though this may not be possible for cost considerations (for example in LFSs) and the Resolution should provide guidance on techniques for maximising data quality for problem areas of measurement;
- b. problems that are specific to ESs such as limitations of establishment registers as frames for obtaining information on hours actually worked, the fact that establishments tend to only record “hours paid for”, incomplete records for overtime (relating not only to paid overtime but

also available in a way that cannot be assigned to particular workers²⁰), and on absence from work (often available only if it affects payment). Another issue for ESs is the erosion of the distinction between managerial and non-managerial staff. In the past it was thought that it was more difficult to obtain accurate measures for the former because of wider daily and weekly variations in the hours they worked. However, some countries are now finding that the managerial / non-managerial distinction in terms of variations in hours worked is less relevant in terms of measurement. The measurement aspect of wider variation in hours worked from week to week could also impact on LFSs;

- c. problem of non-continuous (household or establishment) surveys which require extrapolation of hours worked to non-observed periods, with the possible introduction of biases. Sometimes LFS reference weeks are designed in such a way as to be unrepresentative of hours actually worked (e.g. to deliberately avoid public holidays). Mention could also be made of the advantages of a continuous LFS for measuring hours of work for people with different working time arrangements.

10. The Resolution should recommend ways to improve the measurement with each of the main sources outlined in para. 9 above. For example, for LFSs, it could recommend or provide guidance on:

- a. the use of separate stylised questions to inquire for overtime and absence from work (the effect was a decrease in the hours actually worked in the US). The measurement improved in a number of countries when this was done, probably because the additional questions tend to act as a reminder for respondents that unusual absence and overtime may have happened. In addition, it facilitates the collection of better information on absences and overtime when workers experience both in the same reference period. Direct questions of this type, however, can only be applied to persons in paid employment with contractual hours of work;
- b. approaches for obtaining better measures of hours actually worked for self-employed workers. There was no discussion in the papers in this area, except for the proposal linked to TUSs (see below). More research and discussion seems to be needed in this area. There is already a definition of the self-employed in ICSE-93 (refer www.ilo.org/public/english/bureau/stat/class/icse.htm). The main issues in this area are not with owners of unincorporated enterprises but of owners of incorporated enterprises who work in the enterprise as managers. They are treated as employees but because these workers are seen by others and even by themselves as employers (i.e., as self-employed workers) the classification recommends that they be separately identified so that whoever wants to classify them as employers, can do so;
- c. question formulation which is well understood by respondents. Spanish research²¹ showed that standard questions on hours worked are not well understood by respondents, and less so by proxy respondents. In this regard it will be very useful to obtain some guidance on which formulation, if any, is better understood, from other countries as well;
- d. carrying out TUS periodically in order to compare, supplement or where necessary, adjust data obtained from LFS to arrive at a more accurate measure of hours actually worked. Results where this was done showed that generally the hours actually worked reported by

²⁰ This point was made by the UK as they obtain information on hours of work for individual workers, as compared to what the US and other countries do which is to obtain an estimate of the hours paid for of all workers in an establishment. In the former case a country is able to obtain distributions of hours while in the second they obtain only averages.

²¹ Preliminary report on the study *Measurement of Working Time* – National Statistical Institute, Spain

workers in paid employment are very similar in the two surveys. However, there were (small?) differences among the hours reported by workers in self-employment, women workers, teachers, managers, professional and technicians, and workers in agricultural units, where respondents tend to report higher hours to a direct LFS question compared to a time diary used in TUSs. This makes sense, as these groups of workers tend to have less regulated working schedules and/or work close to their homes and thus mix personal or household work with SNA work-related activities. It was proposed in the Finnish paper that it would be useful to study the activities reported by self-employed, etc, workers in TUS to identify where any overestimation in LFS may arise, as well as suggestions to improve instructions to interviewers and/or questionnaires collecting information from these groups of workers;

- e. obtaining information on absence from work for the reference week as well as for longer periods such as a month. As stated above, the Resolution would need to state the need for separate statistics on absence from work. In the context of measurement, Swiss experience²² is that absence from work will be under-reported in LFS when it is obtained for a short reference period of one week, as compared to a month (persons absent by more than 2 times and time of absence by almost 2 times) mainly because those persons absent from work during the reference week will be missed in the survey. This is an issue worth exploring in other countries, although perhaps asking for absence from work during the last four weeks as is done in Switzerland assumes a work stability that may not hold in most countries of the world. Furthermore, the logic and implications of broadening the reference period to obtain information on absences needs to be thought through, especially where this reference period is not the same as the one used for measuring employment.

11. Similarly, the revised Resolution should also recommend strategies concerning improvements for collecting data from ESs drawing from, as appropriate, relevant experiences of Italy, Portugal, France and the United States, etc.

12. The revised Resolution may want to recommend a two-step approach to the measurement of working time. Regular (monthly or quarterly) surveys based on a limited number of questions can provide basic estimates of working time in a timely manner, and more comprehensive surveys carried out less frequently can be used to provide or refine estimates of working time and its components.

13. The revised Resolution should mention the impact of the legal or contractual definition of working time (if relevant for individual countries) on the actual measurement, and urge countries to estimate it as much as possible, or at least to acknowledge it explicitly. The legal context affects what employers record in their attendance registers and what respondents report in a survey interview. The French opted for correcting for the recent change in the contractual definition ex-post, "in the office". It does not seem like other countries make any adjustments for differences in legal definitions.

4. Presentation issues

14. Presentation issues relate both to how working time statistics are actually presented and the types of adjustments made to data derived from one or more primary sources. In particular, one of the factors complicating international comparisons of working time statistics are the different presentation and adjustment practices used by countries. Data are presented as

²² Could the reference to the week preceding the LFS-interview bring some bias in measuring actual hours? – Swiss Federal Statistical Office.

average hours per week, per month or per year. More importantly, average hours actually worked per week is calculated different ways in different countries. For example, under current practice in some countries it can:

- a. be limited to a subset of workers, such as to persons “at work”. Such an average, which is the most commonly used, excludes employed persons “not at work” from the average (the average hours would decrease if they were included);
- b. cover all persons in employment, but replace the hours actually worked of persons “not at work” (whose hours worked are zero) by their usual hours of work (the average hours would decrease if they were not replaced);
- c. only relate to a limited period during the year. The average hours actually worked by persons in employment may be obtained from a single week in the year, or by averaging (four or twelve) weekly observations in a year, without correcting for annual leave and other important absence which may not be well represented by the survey weeks.

15. In order to overcome these problems the revised Resolution needs to provide guidance to harmonise presentation and terminology, together with a clear statement on the purpose(s) of the measure(s). Such guidance could include:

- a. a standard definition of average hours actually worked per week, more or less as “the annual hours worked per worker divided by the number of weeks in a year.” Countries that wish to continue calculating different indicators of average hours (for example, those outlined in para. 14 above) should be required to specify the ways in which they differ from the standard definition and provide estimates based on the standard when reporting for international purposes. An alternative approach would be for the new Resolution to merely focus on deriving the numerator, i.e. a good measure of average hours actually worked per year based on persons or jobs by outlining the components and how they could be combined depending on use;
- b. the current ICLS recommendation of separately presenting average hours (for short or long reference periods) for groups of workers with different working schedules. Such groups have an important effect on the resulting global figures, which can be misinterpreted to mean that workers in one country work, for example, less than those in another, when the reality is that they have more part-time workers. The Resolution may want to identify specific groups of workers for whom such disaggregations are desirable. These would include full-time/part-time and full year/part year workers. There are no doubt other groups. Such distinctions, however, may not lend themselves to international agreement, because of the definitional problems involved, for example the definition of part-time work;
- c. guidance on the use of a denominator that is consistent with the numerator to derive annual averages, e.g. total population, population aged 15 years and over, number of jobs, number of persons employed;
- d. guidance on the use of frequency distributions. No country paper discussed the interest and possibility of presenting frequency distributions of hours worked rather than averages of hours worked. This may be a topic for future research as such distributions could be particularly useful for international comparisons and as a proxy for the full-time / part-time dichotomy.

5. Use of hours worked in derived products

16. The revised Resolution should establish a clear definition (with different titles) of annual hours of work for different uses such as labour market analyses and for labour input. The latter should be in line with SNA concepts and needs which could be imbedded in the Resolution in sufficient detail to provide guidance, particularly with respect to some of the grey areas in the SNA (such as training, travel time to work, some absences, on-call time, etc.). Such areas would also be fed into the current SNA revision process.

17. “Volume of work” is equivalent to “labour input” and to “total hours worked”, and a definition could be more or less, “the number of hours actually worked by the domestic population during the same reference period used to calculate the numerator.” Annual hours worked per worker could be equivalent to the labour input divided by employment. Employment could be defined as average employment in the year or as total employment in the year. The latter definition incorporates the effect of part-year employment. Annual hours worked per job can also be calculated by dividing labour input by the number of jobs (the same definition issue applies here). An additional indicator could be annual hours worked per person in the population.

18. At the moment there is some terminological confusion between original labour force statistics obtained from the three primary sources outlined in para. 9 above (i.e. establishment or business surveys; household-based surveys; and administrative registers) and data that has subsequently been adjusted for national account labour input purposes. The latter are frequently referred to as “SNA source” employment data. Similarly, what is termed in SNA jargon a “labour force source” relates to statistics stemming from labour force survey observations without (or with few) adjustments. For statistical labour standards, it is important to establish in the Resolution (and perhaps mirrored in the SNA revision) that there are only three statistical “sources” for statistics and that derived labour input measures are in fact “national account adjusted estimates”.

19. The Resolution should also clarify the difference between what the various sources actually collect at present and what they are capable of collecting. For example, in some countries, the LFS does not obtain hours actually worked (or industry) of secondary jobs, but in practice all LFS are capable of doing so, the main difficulty being the additional cost of collecting such information from respondents. Given the cost constraint, it is possible to estimate the number of jobs as well as the number of persons in employment from LFSs, and there are countries which currently do so. Similarly, ESs often obtain information only on hours paid, but could also measure hours actually worked, and some already do (for example in Finland and Portugal).

20. The Resolution should spell out that no single source can provide estimates of labour input directly and therefore that data from several sources are indispensable. While detailed procedures should be allowed to vary between countries, as they depend on the characteristics, weaknesses and strengths of each source in each country, the Resolution should provide guidance on the sources which could be used and the types of adjustments which could be necessary. Regarding sources, the Resolution could state that countries may prefer to use:

- a. ES data as the basis of their estimates when their LFS is weak, (because it does not cover the whole year or because the sample is too small) and their ESs are strong (because they cover the whole year, the sample is adequate or the time series is longer); or when the benefits of consistency with production statistics are considered more important than the

closeness to the concept of hours worked. Indeed, both the coverage of workers and industry disaggregation are more coherent with production statistics than those stemming from LFSs;

- b. LFS data as the basis of their estimates when their LFS is strong (regardless of the strength of their ESs) and when their priority is to arrive at the closest measure to hours actually worked.

21. The Resolution could outline the types of adjustments that are required for data derived from different sources. For example, that when:

- a. ES data are used as the base, the following adjustments are needed: (a) to transform hours paid for into hours actually worked, by adding overtime not paid and subtracting paid absences, mostly using AR data and sometimes LFS data; (b) to include the hours worked by workers not covered in ES (employees in new establishments not yet in the business register or in agricultural units, employees in the informal economy and in small establishments, and all the self employed) using mostly LFS data and also AR data to a lesser degree; (c) to cover the target reference period;
- b. LFS are used as the base, the following adjustments are needed: (a) to correct for absences not well captured due to limitations of question wording or respondent recall, and in the case of LFS which are not continuous, to extrapolate those periods not directly covered by the survey, mostly using AR information; (b) to include hours worked by workers living abroad but working in domestic units and exclude workers living in the country but working in foreign units, using AR data; (c) to cover the target reference period. Adjustments of this type rely less heavily on AR information than the former group of countries. For example, these do not use AR information to correct for employment in the informal economy presumably because LFS implicitly covers it. AR information is used mostly to adjust for absences which are not well captured in punctual observations. ES data is to be used, whenever possible, to distribute jobs by economic activity, to achieve coherence with production statistics.

22. Given the variety of possible estimation methodologies, the Resolution may want to establish the minimum needs or adjustments that an adequate measure of labour input would require. Such minimum list could include adjustments for the following items:

- a. paid overtime;
- b. unpaid overtime;
- c. absence from work actually taken (as compared to entitlements to absence from work);
- d. time worked in the informal economy, including the non-observed economy and the non-market economy (the production of goods for own consumption);
- e. multiple jobs;
- f. domestic population, including for the population who live in the country but who work abroad, the population who live abroad but work in the country, the armed forces and conscripts and institutional households;
- g. self-employment;
- h. part-time work.

23. The Resolution may want to indicate possible biases in data derived from different sources. For example, it may mention that comparisons between labour input measures using

different methodologies show that the LFS approach tends to give higher estimates than the ES approach. Possible explanations are that: (a) LFSs are able to better measure hours actually worked by part-time workers (which are often estimated very roughly using an ES approach); (b) that ESs are generally based on incomplete business frames that underestimate the number of employees; and that (c) the ES approach relies too heavily on AR information, which may underestimate or overestimate actual absence. On the other side, the LFS may underestimate real absence from work given recall and other response errors.

24. Revised guidelines should clarify that, whenever AR information is used, significant assumptions are made which may not hold. For example: (a) leave entitlement is assumed to be equivalent to actual leave taken; (b) records of compensated sick leave assume that time off because of sickness which is not compensated (because it is of short duration for example) is insignificant; (c) AR information provides a better indication of employment in the informal economy than LFS direct measurement; etc.

25. Revised guidelines should specify that in order to disaggregate labour input by detailed industries, hours actually worked of jobs needs to be obtained (and not persons employed) and that ES data are more appropriate. LFSs are less efficient for the provision of breakdowns of the number of jobs (or employed persons) by detailed industry groups for two reasons: First, they usually identify the establishment where the worker works, which is not equivalent to: (a) the enterprise, the unit mostly used in ES, thus causing a lack of coherence with production statistics; nor to (b) the employer, in the case of subcontracting units. Second, because not all LFSs obtain industry information for secondary jobs. Third, because all these quality concerns are compounded by proxy response.

26. Finally, the revised Resolution should stress that when hours worked is used as the denominator of the equation in the calculation of economic and social indicators, such as productivity measures, hourly labour cost, average weekly, monthly, annual earnings, etc., it should be adjusted to relate to the same population and time period covered by the other element(s) in the indicator.

6. Working Time Arrangements (WTAs)

27. As mentioned above, the revised Resolution should clearly state the fundamental link between WTAs and hours of work. It should provide a definition of WTAs includes the following principles:

- a. WTAs are interconnected and can overlap ;
- b. "location" of the activity should not be part of the definition of WTAs;
- c. both formalised WTAs and their characteristics should be measured;
- d. formalised WTAs could be renamed "working time arrangements" (WTAs) while the characteristics of WTA could be renamed as "working time patterns" (WTPs). This distinction is used from now on;
- e. an international definition of the various WTAs and WTPs does not seem possible because both the types of arrangements that exist in countries and the terminology used to describe them are not harmonised and cannot be harmonised, except perhaps for a few of the most common ones. The WTPs should be the focus of international definitions. The key

characteristics that distinguish the most common WTPs, and which need to be measured include:

- (i) working at non-core hours, non-core days
- (ii) having variable daily, weekly and monthly schedules
- (iii) working shorter hours than normal

28. With regard to measurement, the Resolution should provide guidance that:

- a. ESs can be used to measure the WTAs although they may not record actual practices and variations in terminology between establishments may be significant;
- b. LFS and other household surveys can be used to measure both WTA and WTP;

29. The Resolution should specify that information on WTAs and WTPs should be supplemented with information on the: (a) duration of the arrangement; (b) the contractual situation (whether it is explicitly specified in the working contract or not); (c) the control workers have (the extent to which the arrangement is chosen or imposed); and (d) the predictability (the advance notice given to workers, if any).

30. Part-time employment was briefly discussed in Lisbon, the general opinion (again) being that reaching international agreement on a single hour cut-off appropriate for all countries would not be possible. However, given the importance attached to the concept in the user community it was also considered necessary for the Resolution to provide some guidance in this area, for example, recommending the compilation of annual hours worked statistics to include specific groups of workers such as part-time workers. Also, the presentation of statistics by countries using a full-time / part-time dichotomy should be accompanied by their national definition expressed in hours. As mentioned in the Report, the Resolution could recommend a distribution of hours worked on the basis of a set of defined discrete categories to facilitate comparisons of such arrangements in different countries.

31. Finally, there is a need to ensure that the various WTAs and WTPs are incorporated into measures of actual hours used for labour market analyses and labour input.

International Labour Organisation

8 February 2005

PARIS GROUP MEETING, 29 SEPTEMBER - 1 OCTOBER 2004, LISBON

AGENDA

Objectives of 2004 meeting

- To prepare initial conceptual and measurement issue guidelines and recommendations to be used as input to the possible revision of the 1962 ICLS Resolution concerning statistics of hours of work. The recommendations will cover: hours actually worked and related measures; annual hours of work; and working time arrangements.
- To identify the main issues on the development of internationally comparable indicators related to the aging of the labour force. The discussion in 2004 will be an initial foray into this topic as a prelude to more detailed work for the next plenary meeting of the Paris Group.

Day 1 – 29 September

Session 1– Welcome, brief introduction and background

	Registration		9.00 to 9.20
President	Denis Ward (OECD)	Welcome and domestics, aims & structure of the meeting.	9.20 to 9.30
	Antonio Charana (President, Portuguese Employment Observatory)	Guest speaker	9.30 to 9.50
		Comments and brief discussion	9.50 to 9.55
	Denis Ward (OECD)	Back ground to Paris Group and this meeting	9.55 to 10.10

Session 2– Measuring Hours Actually Worked

Aims:

- To develop a conceptual framework for measuring hours actually worked, in particular, on activities to be included .
- To develop a common understanding of the various measurement options for employees and the self employed for developed and developing countries.
- Identify the strengths and weaknesses of different measurement methods.
- Identify the building blocks and issues to be dealt with for in a possible revision of the international recommendations and guidelines

Session Chair:	Paivi Keinanen (Statistics Finland)	Aims of this session	10.10 to 10.15
	Manuel Joao Duarte (Portuguese Ministry of Labour & Security)	Presentation of main issues	10.15 to 10.30
		Coffee break	10.30 to 10.45
	Deborah Sunter (Statistics Canada); Maria Do Céu Godinho (Portuguese Ministry of Labour & Security); Derek Bird (ONS UK); Paivi Keinanen (Statistics Finland); Michèle Naur, Lone Solbjergoj (Statistics Denmark)	Presentations from 5 selected NSIs on conceptual and presentational issues and measurement options	10.45 to 12.30

Lunch – 12.30 to 14.00

Session Chair	Paivi Keinanen (Statistics Finland)	Welcome back	14.00 to 14.05
		Discussion of main issues identified in NSI presentations (continued)	14.05 to 14.30
Rapporteur	Miguel Angel García Martínez (National Statistical Institute of Spain)	Summary of conclusions concerning the 4 aims of this session	14.30 to 14.45
		Final discussion	14.45 to 15.10
Session Chair	Paivi Keinanen (Statistics Finland)	Closing comments	15.10 to 15.15
		Coffee break	15.15 to 15.30

Session 3– Definition of annual hours

Aims:

- To develop a common understanding between national account experts and labour market statisticians of main labour input issues for national accounts and productivity measures.
- To identify conceptual and measurement issues with respect to the definition of annual hours blending in the needs of both national account, productivity measurement and labour market indicator needs.
- Identify the building blocks and issues to be dealt with in a possible revision of the international recommendations and guidelines

Session Chair:	Lucy Eldridge (US BLS)	Aims of this session	15.30 to 15.35
	Olivier Marchand (INSEE)	Presentation of main issues	15.35 to 15.50
	Francois Lequiller (OECD)	Introduction to labour input issues for national accounts and productivity measures	15.50 to 16.10
	Paul-Emmanuel Piel (INSEE); Jean Pierre Maynard (Statistics Canada)	Presentations from 2 selected NSI national account experts on data sources used, data transformation processes and requirements	16.10 to 16.50
		Discussion of labour input issues and identification of main requirements/needs	16.50 to 17.30
	Francois Lequiller (OECD)	Closing comments on labour input issues	17.30 to 17.35

Day 2 – 30 September

Session 3– Definition of annual hours (cont.)

Session Chair	Lucy Eldridge (US BLS)	Welcome back	9.15 to 9.20
	Luisa Picozzi (ISTAT, Italy); Helge Naesheim (Statistics Norway), Lucy Eldridge (BLS, US)	Presentations from 3 selected NSIs (labour statisticians) on conceptual issues and measurement options	9.20 to 10.20
		Coffee break	10.20 to 10.35
	Elizabeth Lindner (HCSO, Hungary)	Presentation from 1 selected NSI (labour statistician) on conceptual issues and measurement options	10.35 to 10.50
		Discussion of main issues for measuring annual hours worked bringing together issues from national accountant and labour force statistician perspectives	10.50 to 11.20
Rapporteur	Eugen Spitznagel (IAB, Germany)	Summary of conclusions concerning the 3 aims of this session	11.20 to 11.35
		Final discussion	11.35 to 12.00
Session Chair	Lucy Eldridge (US BLS)	Closing comments	12.00 to 12.05

Session 4– Working time arrangements

Aims:

- To develop a common understanding of the defining criteria (or dimensions) for the numerous working time arrangements that would be included in a revised international standard.
- To develop a common understanding of the various measurement options and the strengths and weaknesses of different measurement methods.
- Identify the building blocks and issues to be dealt with in a possible revision of the international recommendations and guidelines

President	Denis Ward (OECD)	Welcome back	12.05 to 12.10
Session Chair	Julie Evans (ABS)	Aims of this session	12.10 to 12.15
	Omar Hardarson (Eurostat)	Presentation of main issues	12.15 to 12.30

Lunch – 12.30 14.00

	Julie Evans (ABS, Australia); Saverio Gazzelloni (ISTAT, Italy), [SPARE]	Presentations from 3 selected NSIs on conceptual issues and measurement options	14.00 to 15.00
		Short discussion of main issues	15.00 to 15.15
		Coffee break	15.15 to 15.30
	Valerie Ulrich (DARES, France)	Presentation from 1 selected NSI on conceptual issues and measurement options	15.30 to 15.50
		Discussion of main conceptual and measurement issues for working time arrangements	15.50 to 16.30
Rapporteur	Tatjana Novak (CSO Slovenia)	Summary of conclusions concerning the 3 aims of this session	16.30 to 16.45
		Final discussion	16.45 to 16.55
Session Chair	Julie Evans (ABS)	Closing comments	16.55 to 17.00

Session 5– Washup for working time measurement (Sessions 2-4)

Session chair	Adriana Mata-Greenwood (ILO)	Consequences of discussion for Sessions 2-4 for Issues Framework paper	17.00 to 17.30
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Evening– Group meal at local restaurant (at delegate's expense) – 20.00 – 23.00

Day 3 – 1 October

Session 5– Washup for working time measurement (Sessions 2-4) (cont.)

President	Denis Ward (OECD)	Welcome back	9.15 to 9.20
		Discussion of initial redraft of issues paper	9.20 to 9.50
	Denis Ward (OECD) & Elizabeth Lindner (CSO Hungary)	Future Paris Group work on working time measurement and discussion (including reporting to 2005 UNSC)	9.50 to 10.20

Session 6– Preliminary discussion on labour market indicators of ageing labour force

Aims:

- To identify specific statistics that labour statisticians have been asked by users (government) to provide.
- To identify definitional/conceptual issues for these statistics.
- To identify measurement issues.

Session chair:	Deborah Sunter (Statistics Canada) Vivienne Avery (UK ONS)	Aims of this session	10.20 to 10.25
		Presentation of main issues	10.25 to 10.40
	Julie Evans (ABS)	Presentation from 1 NSI on conceptual issues and measurement options	10.40 to 11.00
		Coffee break	11.00 to 11.15
		Presentations from 3 NSIs on conceptual issues and measurement options	11.15 to 12.15
		Initial discussion of future work by Paris Group on ageing labour force	12.15 to 12.45

Lunch – 12.45 – 14.00

Session Chair	Deborah Sunter (Statistics Canada)	Welcome back	14.00 to 14.05
Rapporteur	Alain Vuille (FSO Switzerland)	Summary of initial discussion and recommendations for future Paris Group work on ageing labour force (including reporting to 2005 UNSC)	14.05 to 14.20
		Final group discussion on future work on ageing	14.20 to 14.55
Session Chair	Deborah Sunter (Statistics Canada)	Closing comments on future work on ageing	14.55 to 15.00
President	Denis Ward (OECD)	Farewells	15.00 to 15.15

**PARIS GROUP MEETING, 29 SEPTEMBER – 1 OCTOBER 2004, LISBON
LIST OF ATTENDEES**

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