

Area Group on Labour, Education and Human Capital - Consultation Results



AEG

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Australian Bureau of Statistics
Informing Australia's important decisions



Area Group



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Current Situation

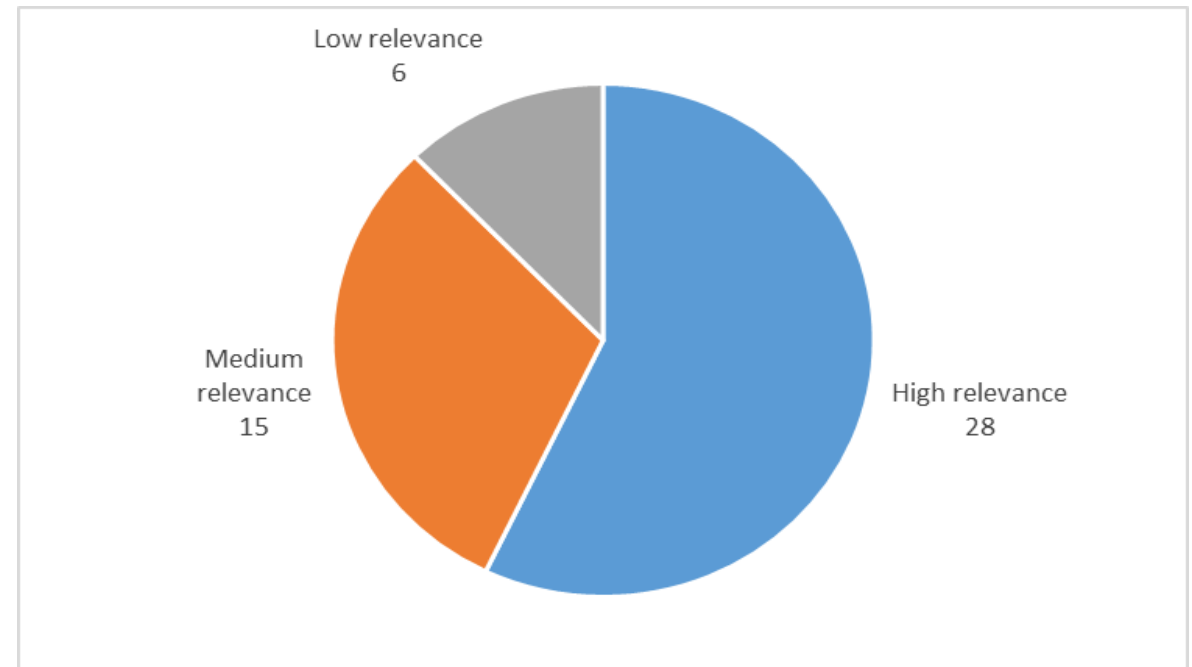
Labour is at the heart of production, forming a primary input alongside capital, but, unlike capital, is recognized only indirectly in the *SNA* through compensation of employees, mixed income and informal production. The *SNA* references that labour statistics form an important adjunct to the accounts in brief [2008 *SNA*, paras 2.156-2.158], and some of the linkages to population and productivity are set out in Chapter 19.

The *SNA 2008* sets out its position to exclude human capital from production in Chapter 1. The central premise is that it is not consumption of education and training services in and of themselves that may form human capital assets, but rather the assembly of these inputs by the persons consuming them into productive knowledge, skills, competencies and attributes.

Is this topic relevant for your country?



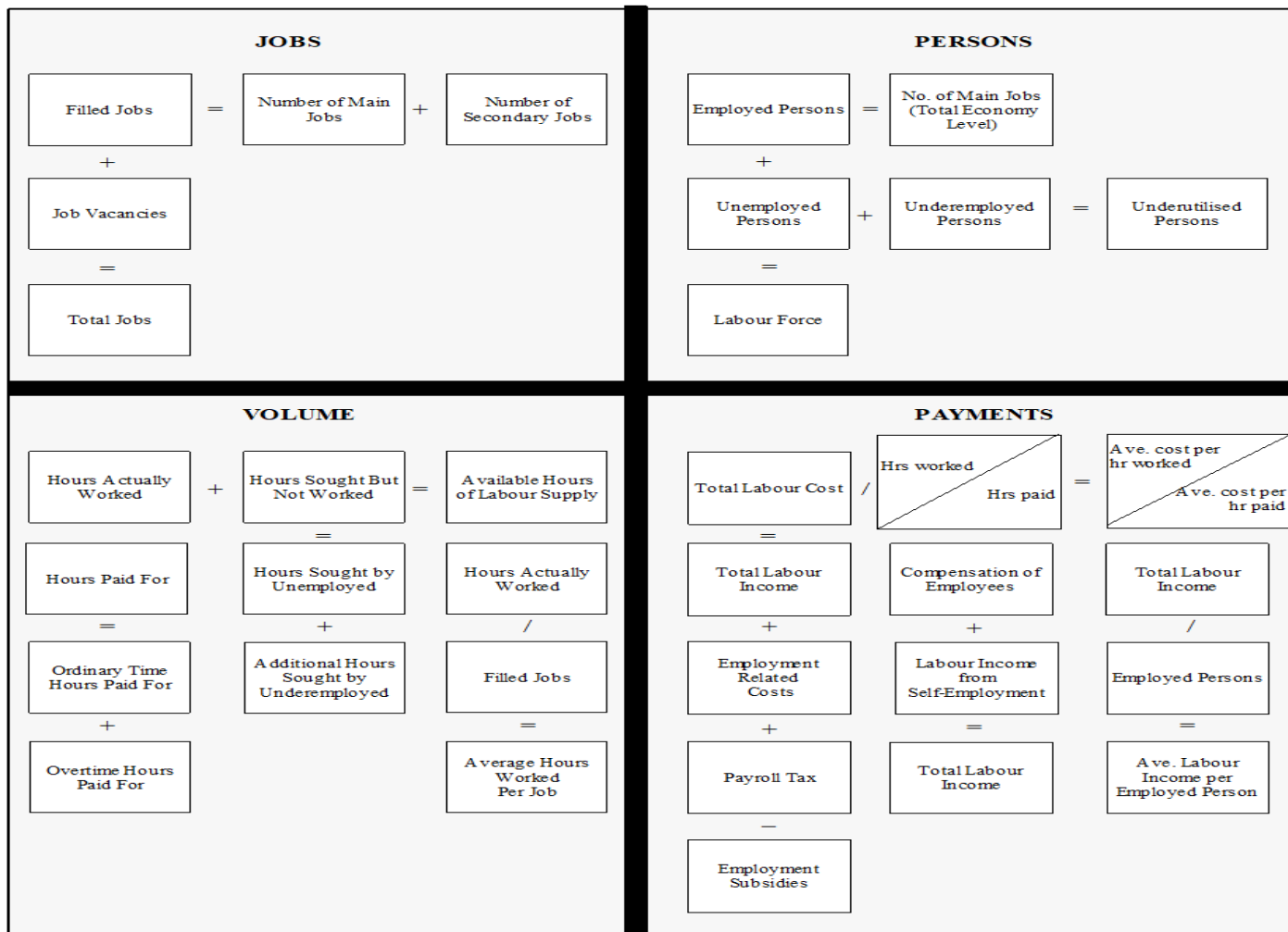
88% agree it is
relevant (medium
or high)



Labour Accounts Recommendations

1. Labour accounts should be included within the central framework in the update to the 2008 SNA. This places labour in the same position as other inputs into the production process, and supports extensions to the accounts for valuing human capital
2. These accounts would be described in a new additional chapter of the SNA, placed between current chapter 9 “The use of income accounts” and chapter 10 “The capital accounts”. This would replace some elements currently covered in chapter 19.
3. The labour accounts will be based on the SNA production boundary and would, at a minimum, cover the labour domains of jobs, people, volume (hours), and payments. They should also include demographic breakdowns by gender, age and educational attainment

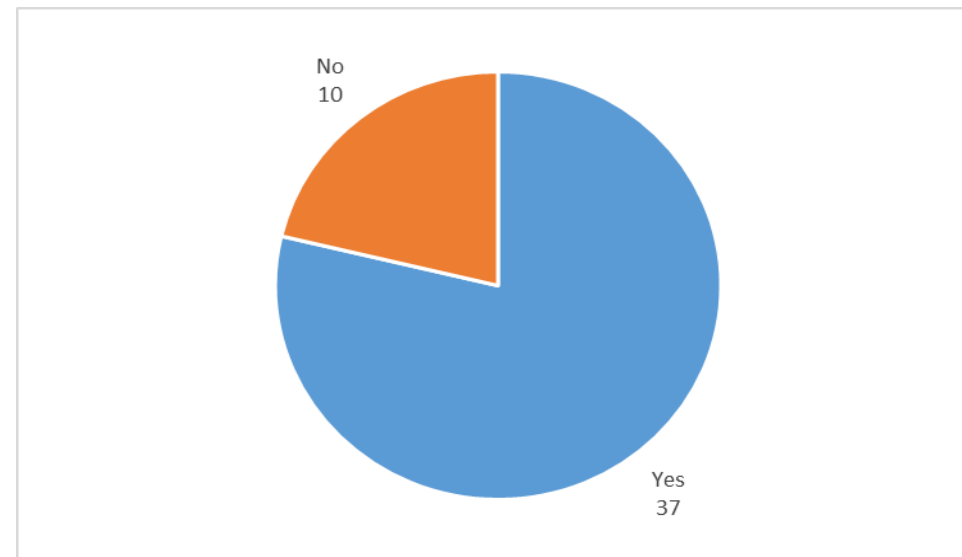
Labour Accounts



79% agreed

Reasons for not agreeing:

- Data quality or availability concerns (4)
- Already have a robust set of labour measures (1)
- Introduction of quantities violates national accounts presentation rules (1)

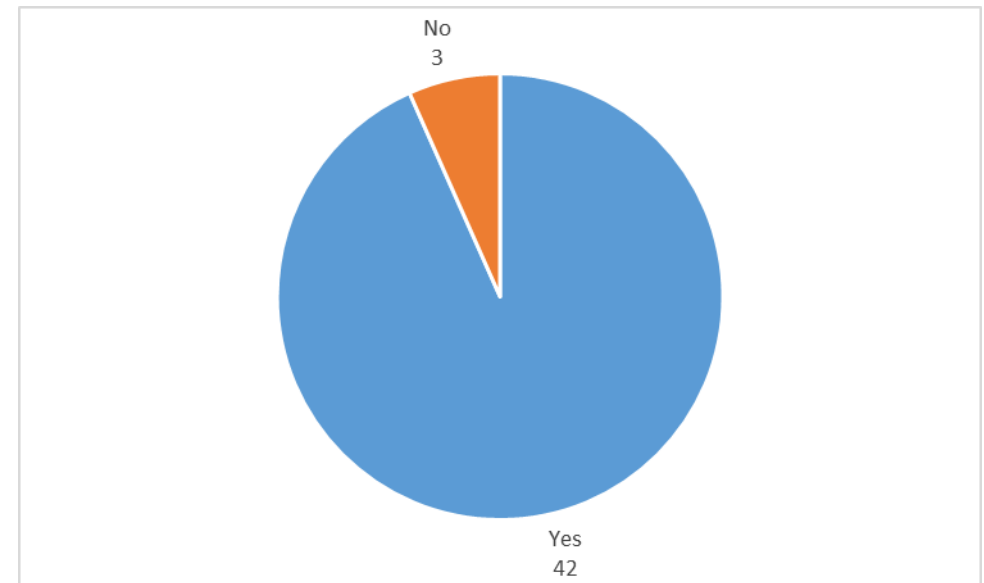


Do you agree that labour accounts should be built around four quadrants:
jobs, people, volumes, and payments?

93% Agreed

Reasons for not agreeing

- Data quality or availability (1)
- Question relevance of the jobs concept (1)

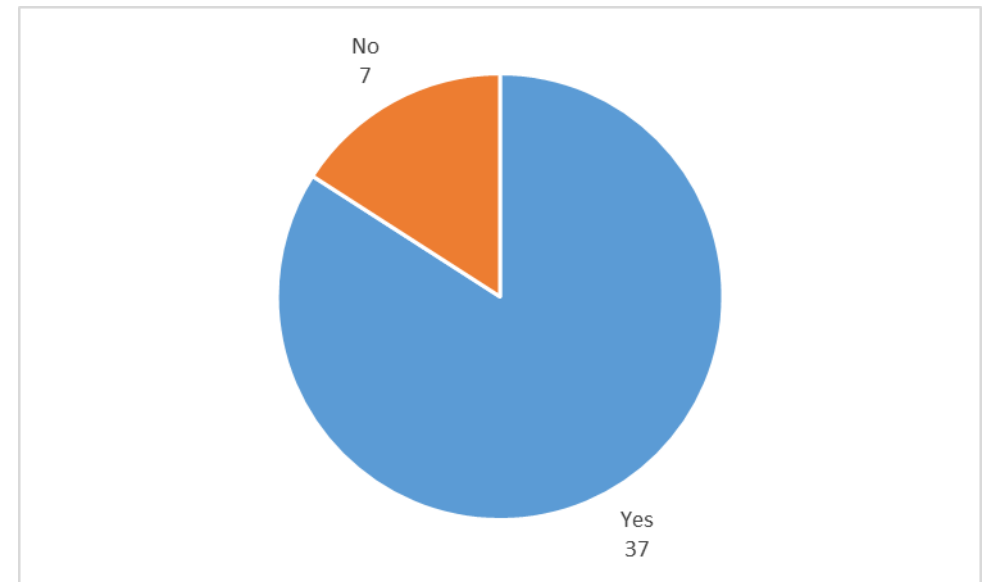


Do you agree that the people quadrant will include demographic breakdowns by: gender, age and educational attainment?

84% Agreed

Reasons for not agreeing:

- Data quality or availability (3)
- SNA should focus on macro measures (1)
- Breakdowns not relevant (1)
- Desire different breakdowns by skills & region (1)

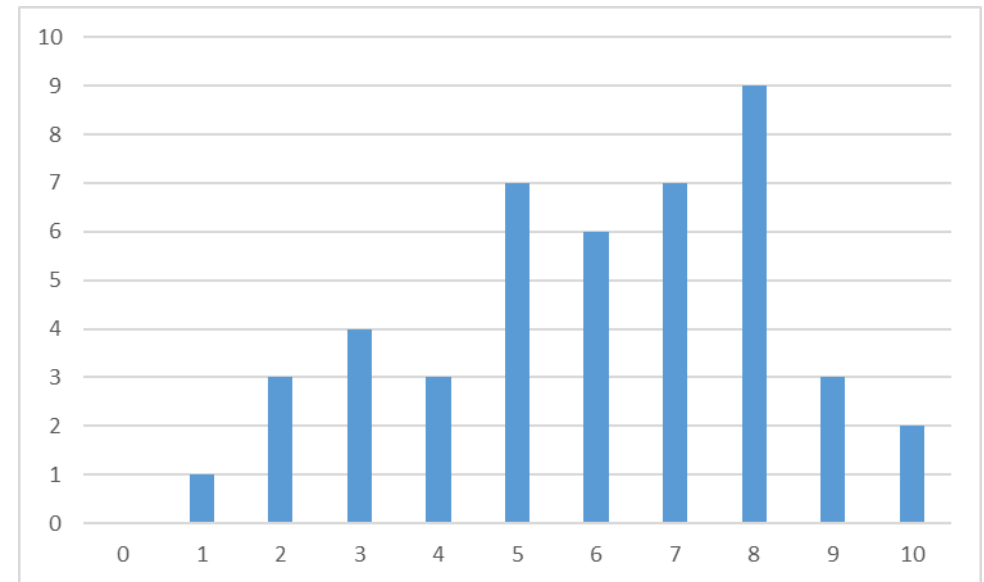


How do you regard the feasibility of compiling labour accounts ?

76% (5-10)

Main challenges:

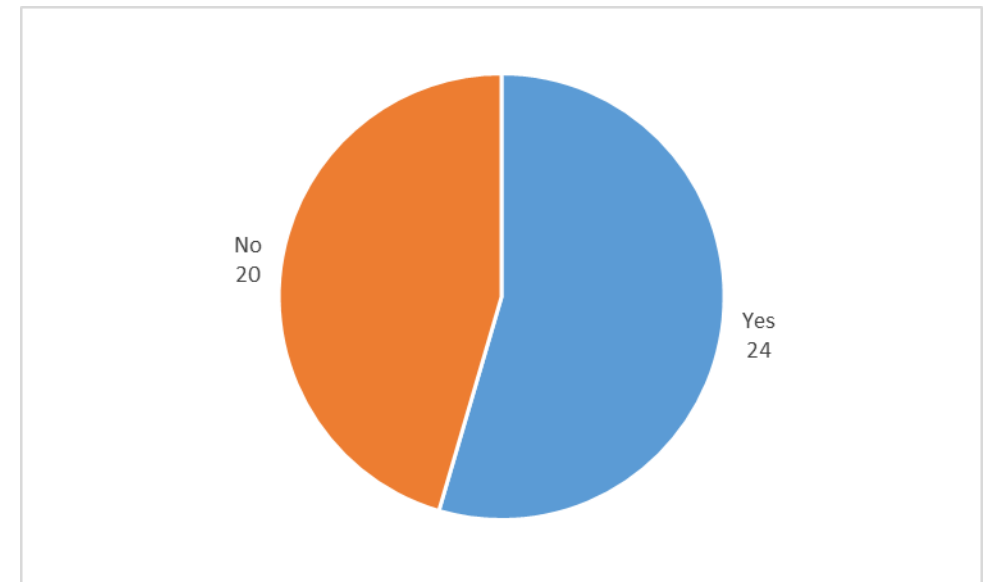
- Data availability
- Data coherence
- Specific population groups (rural, working proprietors, informal)
- Classifications and definitions



Would your institution be interested in participating in an experimental estimate exercise?

Types of assistance needed:

- Survey design
- Methodological Advice
- Non-observed economy
- Financial support



Education and Training Recommendations



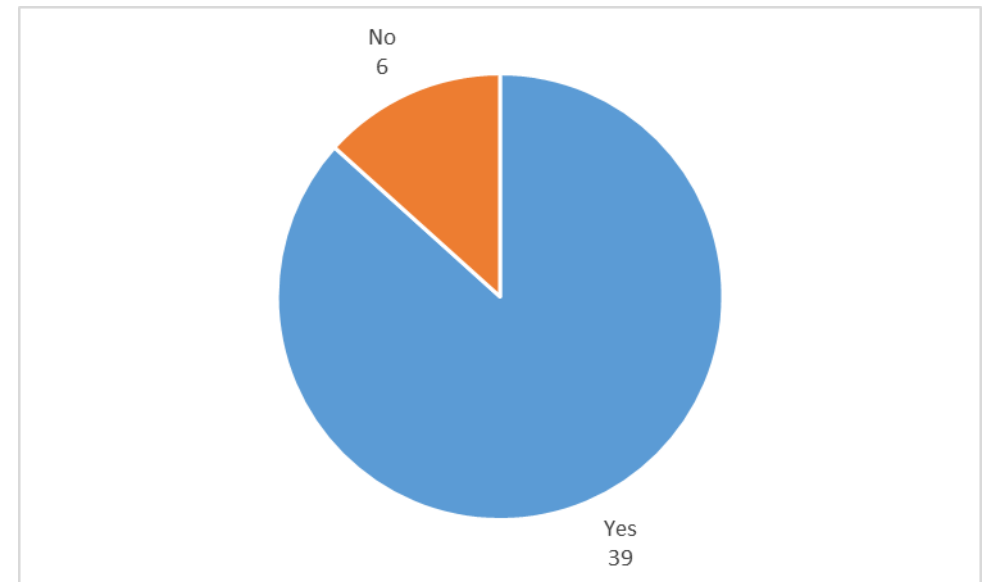
1. Extended accounts for education and training should be developed. These accounts would build on existing material, particularly the Satellite Accounts for Education and Training (SAET)
2. The Education and Training Account would be an extension on the central framework in that it includes (i) both monetary and non-monetary data; (ii) own account (in-house) training; and demographic breakdowns by gender & age
3. Consider values for unpaid household education services (in conjunction with other task teams)



87% Agreed

Reasons for not agreeing:

- Data availability (1)
- Not needed (1)
- Inclusion of quantity data violates SNA (1)



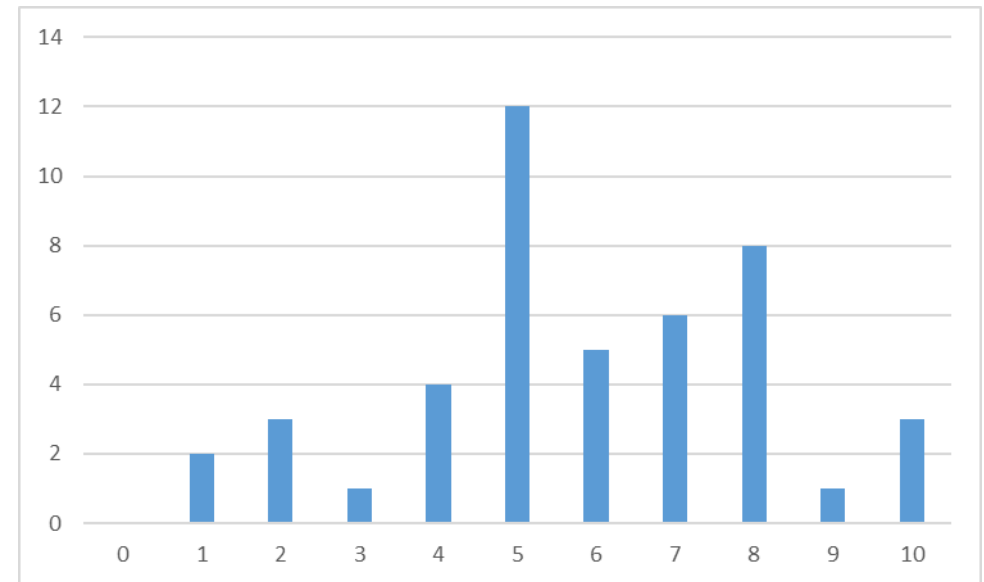
How do you regard the feasibility of compiling results on education and training ?



76% (5-10)

Challenges:

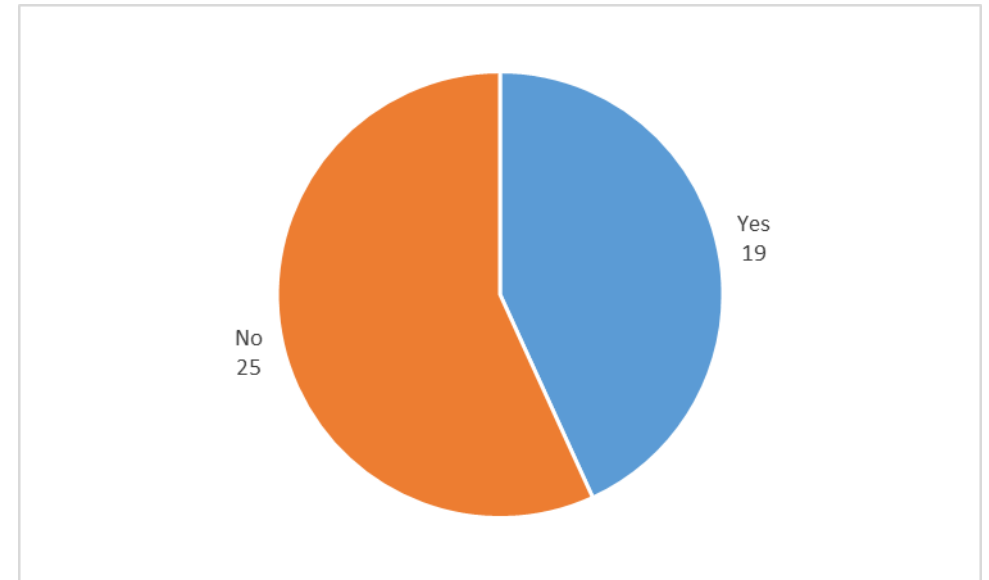
- Data Availability (particularly training data)
- Data Detail
- Informal Sector



Would your institution be interested in participating in an experimental estimate exercise?

Types of assistance needed:

- Data Collection
- Methodological Advice
- Technical Support



Human Capital Recommendations

1. That pragmatic and achievable steps are taken in developing extended accounts for human capital outside of the core SNA. These first steps would consist of:
 - a) Developing cost-based education measures, in accordance with the recommendations under Education and Training above
 - b) Produce income-based monetary stock measures with gender, age, and education detail (consistent with the labour accounts structure)

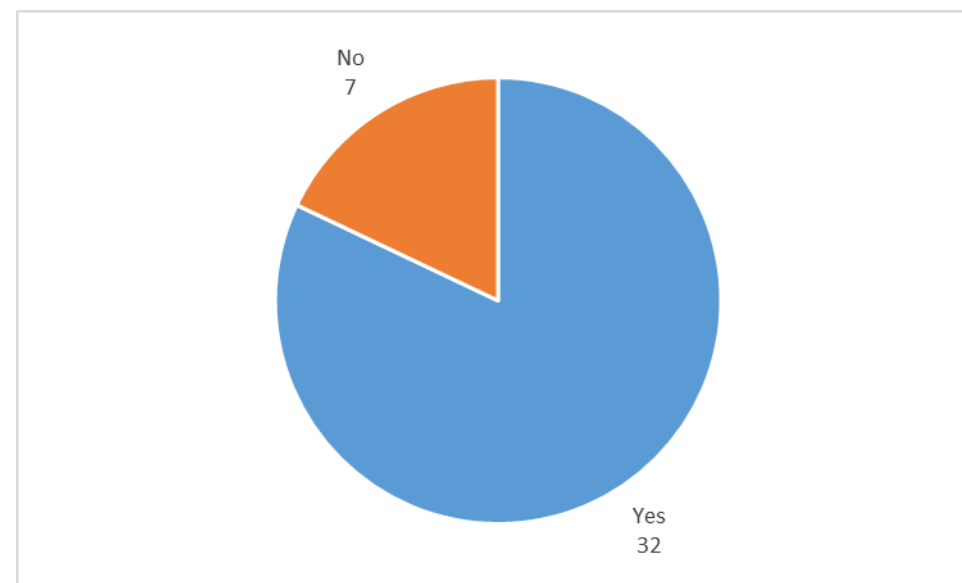
2. It is expected that some countries will feel they lack the capacity to produce human capital estimates. However, the critical importance of human capital to economic development and progress means it is essential that we begin to engage on the topic. And this proposal would appear to be a sensible starting point.

Do you agree with developing experimental estimates of human capital, focusing on cost-based education measures and income-based monetary stock measures?

82% Agreed

Reasons for not agreeing:

- Data Availability (2)
- The two approaches are not consistent & measurement debate is not settled (2)
- Methods are too reliant on 'soft' assumptions (1)

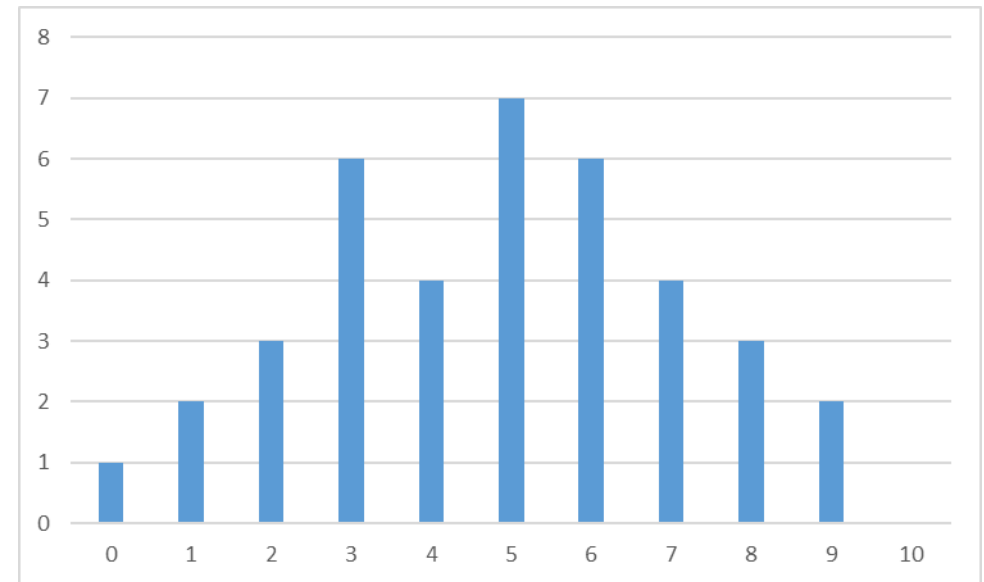




58% (5 – 10)

Challenges:

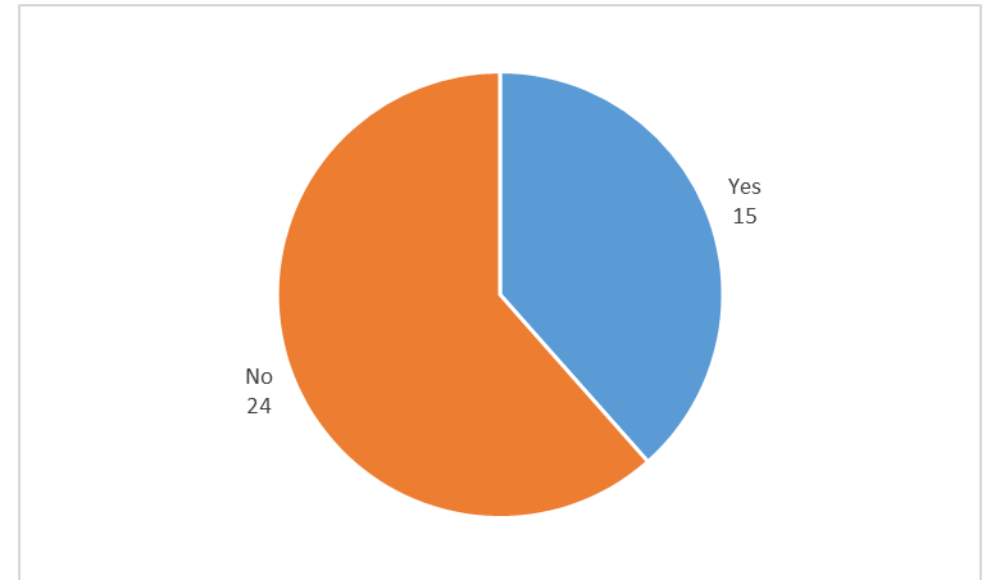
- Number of assumptions
- Too subjective
- Yield very different results
- Data quality



Would your institution be interested in participating in an experimental estimate exercise?

Types of assistance needed:

- Training
- Workshops
- Expert consultants



Other Relevant Comments (from across the entire topic)

- ▶ Should consider the role of migration, concepts of residence, and flow to/from the rest of the world
- ▶ Should consider broader concept of human capital i.e. additional inputs such as health
- ▶ Should consider more qualitative dimensions of working conditions