

**Comments on draft SNA chapter:
Chapter 19: Population and labour inputs**

**Deadline for comments: 26 September 2008
Send comments to: sna@un.org**

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Submission date:	September 26, 2008

This template allows you to record your comments on draft SNA chapter 19 “Population and labour inputs” and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any or all parts of the template.

There is no file comparing existing text with draft text for this chapter because the draft is largely new text.

Save this template and send it as an attachment to the following e-mail address:
sna@un.org

Part I: General comments

In the space below, please provide any general comments. This may cover e.g. the structure of the chapter, issues missing and (lack of) consistency with other chapters of the 2008 SNA.

General comments:

General comment	It would be useful to reinstate and update the schemas 17.1 and 17.2 that appear in SNA 1993.
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Part II: Comments on specific draft paragraphs and sections

All comments on specific draft paragraphs are welcome. They can be about e.g. scope, content and clarity. Proposing a concrete alternative text or table is also possible. For the paragraphs in separate sections, separate forms are used for providing and collecting comments (see below).

A. Introduction (paragraphs 19.1-19.8)

General comment	
19.1	
19.5 Line 5	The statement “ the most relevant (labour concept) for collecting and compiling the labour force data used in calculating national accounts productivity estimates” is correct at the aggregate level but the labour concept used in industry statistics is number of jobs which is consistent with the production data. Both concepts are useful for productivity analysis.

* Insert rows in this Word table for each paragraph on which you wish to comment.

B. Population (paragraphs 19.9-19.14)

General comment	Due to the phenomena of ageing population, it is important to mention the population that is potentially active, namely 15 years of age and over and between 15 or 16 and 65 years old.
19.10	
19.14	The title of this paragraph reads “Absolute levels of GDP or GNI per capita” but the text makes no mention of GNI.

* Insert rows in this Word table for each paragraph on which you wish to comment.

C. Measuring the labour force (paragraphs 19.15-19.37)

General comment	To obtain a proper measure of labour engaged in production, a distinction should be made between persons employed who are at work during the reference period and those who are away from work (in Canada on paternal leave etc). This portion of labour force varies between countries having social security programs and regulated labour market and those who do not have such institutions. The ILO general definition of employment makes this distinction and the SNA should use it for international comparability. In Canada this ratio has gone up from 5% to 9%.
19.17	The reference period should be mentioned in the definition like it is done for the labour force definition in paragraph 19.16
19.19	For a clear definition of outworkers reference should be made to Paragraphs 7.31-7.35 in the SNA 2008.
19.20	This is an important change from the previous definition of SNA 1993, (see para 17.9 e.) Unpaid absentees were not considered as employed under the

	1993 SNA. A concept of “persons at work” or “jobs at work” would be relevant for many labour cost analysis within the National Accounts..
19.21	While the statement “it is not possible to separate (mixed income) the return to labour from return to capital ...is correct, many countries like Canada and USA do estimate a split of mixed income into labour and capital components. It might be not perfect but is useful for analysing unit labour cost and might be mentioned.
19.25	See General comments above
19.27	The last sentence is confusing. It should be deleted or reformulated.
19.36	This paragraph is very confusing. Both SNA and ILO treat working family members in an identical way.
19.37	.

* Insert rows in this Word table for each paragraph on which you wish to comment.

D. Standardized measures of labour inputs (paragraphs 19.38-19.55)

General comment	The section on <i>Employee labour input at constant compensation</i> is very unclear. Are we talking there about a labour cost index like in the US?
19.38	Standardized measures of labour inputs should also include a concept of “persons at work” and a concept of “jobs” for industry analysis. These two concepts would produce more relevant measure of productivity than “the persons employed” concept. As the “quality adjusted labour inputs” is estimated based on an economic model, the use of the expression “most advanced measure” should be reconsidered..
19.40	The second sentence of this paragraph is very confusing. How about measuring full time equivalent jobs simply by dividing total hours worked by the average number of hours worked in full time jobs.
19.41	The statement “with the move by the ILO to recommend recording total hours actually worked as the preferred measure of labour input, the use of full time equivalents should gradually be phased out” is too drastic. Granted the “total hours worked is a good concept, it will still be useful to maintain the concept of full time equivalent jobs. For example, if you ran an I/O model simulation to estimate the impact of a new highway, the policy makers would appreciate the impact in terms of full time employment generated .Hence a total discard of full time equivalent is not wise.
19.44	Before the first sentence, mention that, in practice, hours actually worked is usually collected through population or labour force surveys.

19.50	We assume that the expression theory is used here in the sense of premise.
19.52	This paragraph should elaborate the utility of the concept: <i>Employee labour input at constant compensation</i>
19.55	For clarity, explain the deflator that should be used to measure labour input at constant compensation. The text mentions about “jobs” while earlier in the chapter use of “persons employed” is recommended.

* Insert rows in this Word table for each paragraph on which you wish to comment.

E. Estimating labour productivity (paragraphs 19.56-19.68)

General comment	With its drawbacks, labour productivity is still a very relevant measure for both developed and developing countries.
19.56	It should be mentioned that productivity cannot be directly observed. Labour productivity captures the growth of output that cannot be explained by the growth in hours worked. In France, it is called it: “ <i>Productivité apparente du travail</i> ” which very well explains this concept.
19.58	The main limitations of multifactor productivity should be stated. Also reference should be made to the OECD manual in this regard.

* Insert rows in this Word table for each paragraph on which you wish to comment.

F. A note on source data (paragraphs 19.69-19.74)

General comment	Producing labour data consistent with the SNA production boundary requires in fact the integration of household surveys (self employed, hours actually worked,) with business surveys (employee jobs, industry coding,) and administrative data (armed forces,).
19.70	We have to assume here that the sample of the household survey is built on an unbiased survey frame (usually a Population Census) and that this frame is updated regularly.
19.71	Business surveys have not only shortcomings. They have advantage of providing consistent data on production and labour inputs.

* Insert rows in this Word table for each paragraph on which you wish to comment.

Part III. Other specific comments

You are welcome to make other specific comments. To assist you in doing so, the following points are provided as a guide to the types of points on which you might wish to comment. Note, though, that you are not restricted to commenting on only these points.

1. Are the details of the labour force and the differences between the ILO and SNA conventions sufficiently clear?
2. Is the discussion of standardised labour inputs sufficient?
3. Is the discussion of labour productivity sufficient?
4. Can you recommend references to be included?

Specific comments:

Specific comments	The goal seems to be a harmonization of ILO and SNA conventions. For example It is suggested to use the number of persons employed that have a formal work attachment. It would be more useful to focus on “persons at work” because they are the ones who contribute to production. This concept will be more comparable internationally in terms of hours worked per persons at work and in terms of labour cost per persons at work. A compromise would be to get back to the job concept recommended in Chapter 17 in 1993 SNA. For the employee jobs, this concept corresponds precisely to the employment data collected through business surveys. This measure can also be derived from a household survey
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You are also welcome to comment directly on the PDF file of the draft chapter. Please do so by using Adobe Acrobat Version 6 or 7.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to sna@un.org requesting a version of the draft chapter that permits you to comment. To optimize your commenting tools, please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>