

**Economic and Social Council**Distr.: General
5 June 2015

English only

Economic Commission for Europe

Conference of European Statisticians

Sixty-third plenary session

Geneva, 15–17 June 2015

Item 5 (d) of the provisional agenda

Statistical Framework for Measuring Quality of Employment**Results of the consultation on the draft Handbook on
Measuring Quality of Employment, a Statistical Framework****Note by the Secretariat***Summary*

The note summarises the comments made by members of the Conference of European Statisticians on the draft *Handbook on Measuring Quality of Employment, A Statistical Framework* which is an updated edition of the Framework adopted by the Conference in 2010.

The secretariat carried out the electronic consultation in December 2014. A total of 38 countries and international organisations replied. There was a high level of support for the endorsement of this updated edition of the Framework. A number of comments and suggestions were received, which are addressed in this note and incorporated in the final version of the Framework (ECE/CES/2015/4/Add.2) available at: www.unece.org/index.php?id=38920#/

In view of the support received, the Conference of European Statisticians will be invited to endorse the *Handbook on Measuring Quality of Employment, A Statistical Framework*.

I. Introduction

1. This note summarises the comments on the draft *Handbook on Measuring Quality of Employment, A Statistical Framework*, resulting from the electronic consultation conducted in December 2014.
2. In February 2012, the CES Bureau established an Expert Group on Measuring Quality of Employment (EGMQE) with the following objectives:
 - Revise the structure for measuring quality of employment as outlined in the Report on Potential Indicators for Measurement of Quality of Employment endorsed by the CES plenary session in June 2010. The report is available from this website: <http://www.unece.org/index.php?id=14183>
 - Revise the set of indicators of quality of employment in order to reflect issues that were raised at the CES plenary session in 2010 and in country reports.
 - Develop indicator sheets with operational definitions and guidelines for the practical compilation of quality of employment indicators.
3. The statistical framework (presented in document ECE/CES/2015/4/Add.2) includes a revised structure for measuring quality of employment, together with explanatory text for the different dimensions of quality of employment, a revised set of proposed indicators and detailed indicator sheets for the proposed indicators. The indicator sheets have been reviewed for clarity and consistency and updated to reflect current international standards and recommendations.
4. In October 2014, the CES Bureau reviewed the draft *Handbook* and requested the UNECE secretariat to send the document to all CES members for electronic consultation.
5. A total of 38 replies were received in response to the request for comments on the draft Handbook – from 36 countries and 2 organisations. The following countries and organisations replied: Albania, Australia, Austria, Azerbaijan, Belarus, Bulgaria, Canada, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Georgia, Germany, Hungary, Israel, Italy, Japan, Latvia, Lithuania, Mexico, the Republic of Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States, Eurostat and OECD.

II. General comments

6. The responding countries and organizations supported endorsement of the *Handbook on Measuring Quality of Employment, A Statistical Framework*. No country or international organisation objected to endorsement. A number of countries and organisations submitted specific comments, many of which were suggestions for the improvement of the draft Framework.
7. The comments received on the topics for future research are presented in Annex 1, as well as the responses from the Expert Group. Annex 2 outlines specific comments made by countries and organisations. The final draft reflecting all comments received (ECE/CES/2015/4/Add.2) is available at: www.unece.org/index.php?id=38920#/
8. There were many favourable comments about the usefulness of the framework for measuring quality of employment, and many countries commended the Expert Group on the quality and usefulness of its work. A number of general comments are briefly presented below:

- (a) Albania: Stated that the overall structure of the framework is very informative, clear and coherent;
- (b) Australia: Stated that the framework is comprehensive and covers relevant aspects of quality of employment from an individual's perspective. Remarked that structuring the framework into a number of dimensions and sub-dimensions, and then indicators within these, provides a comprehensive and clear articulation of the topic. Also noted that having a number of indicators in each dimension, both objective and subjective, allows the flexibility for countries to choose which indicators are most appropriate for national reporting as required. While there is some commonality with other indicator sets that have been developed, this set has the advantage that it is not driven by a particular policy initiative, therefore should ensure longevity in its relevance;
- (c) Azerbaijan: Commented that the framework was prepared at the highest professional level and expressed appreciation for the work of Expert Group;
- (d) Colombia: Stated that the framework is generally well-structured and provides clear and well-argued guidance;
- (e) Georgia: Remarked that the framework and its set of indicators will assist countries with monitoring and developing their policies to improve quality of employment. Noted the importance of the Statistical Framework as a statistical toolbox that can be used in various contexts and does not suite a particular purpose or policy agenda. Commented that the detailed indicator sheets will provide useful practical guidance to National Statistical Offices in compiling statistics on measuring quality of employment;
- (f) Germany: Remarked that quality of employment is a highly relevant topic and the statistical framework is of great use to foster the production of statistics measuring all relevant aspects. Will apply the framework in their own publications and are ready to contribute to further developments;
- (g) Hungary: Stated that measuring quality of employment is a very important topic and that the seven dimensions highlight the most important issues relating to the emerging forms of employment and newer working time patterns. Commented that the main advantage of the draft is laying out a complex framework for all important known issues, while also paying attention to the future research work required by the constantly changing working life. Highlighted the usefulness of the sections in the indicator sheets on interpretation guidelines, international comparisons, formulas for calculation and suggested further reading, as well as the reminder to analyse indicators jointly to avoid misinterpretation;
- (h) Portugal: Welcomed the initiative and the good work of the Expert Group and remarked that the framework is an excellent and useful working tool for the implementation and interpretation of the indicators considered;
- (i) Russian Federation: Stated that the framework provides comprehensive criteria for measuring quality of employment and developing statistical information on individual indicators, taking into account the features of national labour laws;
- (j) Slovakia: Especially appreciated that the framework reflects that not all data sources are available in all countries. Remarked that recommended data sources (in the indicator sheets) provide more detailed insight about the options available for data collection;
- (k) Spain: Generally agreed with the idea of stability of the current 2014 document, considering it desirable to maintain unchanged, as far as possible, the conceptual framework (dimensions and sub-dimensions);

(l) Sweden: Agreed with the report's basic approach concerning the underlying concepts, coverage and relevance of statistics at a national level. Found that the seven dimensions in the report are reasonable. Remarked that the structure and content of the report have been improved compared with the 2010 version. Commented that Sweden already produces some statistics in the seven dimensions mentioned in the report, but there is no direct plan to produce a comprehensive set of "statistics on quality of employment".

III. Conclusion

9. All countries and organisations that responded supported the endorsement of the Framework.

10. The Expert Group on Measuring Quality of Employment reviewed carefully all comments received from countries and organisations. A number of corrections and updates to country specific information included in examples and annexes have been incorporated. In addition, all editorial comments were taken on board. To the extent possible, all comments were incorporated in the final version submitted to the 2015 CES plenary session for endorsement.

11. In view of the support by countries and organisations, it is proposed that the Conference of European Statisticians endorses the *Handbook on Measuring Quality of Employment, A Statistical Framework*.

Annex 1

List of topics for future research and development

1. Annex 1 presents the comments received on the topics for future research and development in the framework:

(a) Australia: The upcoming review of the International Classification of Status in Employment (ICSE) will be an important consideration in relation to future work, particularly for the concepts of precarious employment and contracting arrangements;

(b) Canada: The future research and development section is considered a “living” section, meaning that it will never be truly complete. We have no additional suggestions at this time, but reserve the right to submit suggestions at a later date;

(c) Denmark: The framework would gain from further exploration of the contextual information. That is, more specific suggested contextual information should follow each indicator;

(d) Hungary: The most important trends and issues are covered. To be sure, new questions will arise, requiring further research. Although we agree with the indicated topics for future research, this list of topics cannot be considered complete in the changing world of work;

(e) Lithuania: In addition to the topics already mentioned, there could be an additional area dedicated to a broader view of the labour market (e.g. unemployment level, registered unemployment level, and their ratio, in order to see whether the unemployed in a country tend to choose the help from the state or prefer to search for jobs themselves). Also, in order to assess the influence of unemployment benefits, the ratio of unemployment benefits to wages might be considered;

(f) Mexico: A future research area is to have a better understanding of grey zones in status in employment between paid dependent workers and independent workers, who tend to work under contract arrangements of supplying of services rather than labour contracts. If the revision of ICSE defines these atypical modalities better, these cases should be detected, especially when an employed person has changed from a regular salary status to an atypical status: from the realm of the labour law to the mercantile one;

(g) Portugal: It seems important to consider, in the near future, the possibility of including an indicator to assess satisfaction with work in general terms, allowing a broader notion of quality of employment, regardless of the characterisation of that work in each of the proposed dimensions. The main objective would be to analyse the various ways in which individuals evaluate their job. Other possible dimensions that might contribute to a more complete picture of the subject in question concern: the degree of social responsibility of companies/organisations in the implementation of internal measures that promote the employees quality of life, such as the creation of infrastructure (for example: canteen, medical centre, kindergarten, car park, etc.), the promotion of extra-work activities (sports, cultural activities, etc.), the offer of health insurance, productivity bonuses, old pensions supplements, among others. The working conditions related to the equipment, use of information technology, physical space, procedures and other labour standards that boost employees' performance;

(h) Turkey: A future attempt may be to estimate an index for employment quality such as “job quality index (JQI)” developed by European Trade Union Institution for the EU27 Countries, using the headline indicators;

(i) United States: The promotional potential for specific jobs, measures of occupational and job mobility within and across employers should be considered. Measures of individual and household earnings and income stability across time (do those who are currently employed in the lower proportion of the earnings distribution remain there across time and vice versa) should also be included. Social protection measures should be expanded to include disability insurance and privately provided (employer based) pension plans (the vast majority of workers in the U.S. are covered by Social Security- the government provided pension plan). Work Balance measures should include whether individuals on parental or other long term leave have the right to return to the same job or job type or are just guaranteed employment at their previous employer. Work-life balance indicators should also include measures of those who are facing work-life balance issues due to eldercare, care for older dependent children who reside in their parents' homes or care for other relatives (besides children) and friends.

Response from the Expert Group

2. Additional topics for future work have been added to paragraph 108 and 109 of the framework document.

Annex 2

Specific comments

1. Annex 2 outlines additional comments made by countries and organisations about the Framework:

(a) Albania: Many indicators under each dimension are collected mainly through the Labour Force Survey (LFS). Therefore it is suggested to stress the need to develop new ad-hoc modules (apart from those supported by Eurostat) that might be integrated in the LFS questionnaire. This is necessary to ensure the sustainability of data collection. On page 74, in the recommended data sources for the Hazardous child labour (1b2) indicator, population census is mentioned as a source. A census might be used to create the frame for child labour surveys, but the census objective cannot be the measurement of child labour. Under dimension 7, "Employment-related relationships and work motivation", it is suggested to add another indicator that measures employment engagement;

Response from the Expert Group

2. Recommending any additional data collection is a very sensitive topic. Data sources are suggested for nearly all indicators. The decision whether additional collection is deemed necessary is entirely up to the countries. Population census has been removed from the recommended data sources in indicator sheet 1b2. Employment engagement has been added as a topic for future work in paragraph 108.

(b) Australia: It is good that quality of employment is explicitly taken from the individual's perspective, while recognising that the measures may be at the macro, meso or micro level. The framework recognises that Quality of Employment is multi-dimensional and that the dimensions are inter-related. It also recognises that the context (legislative, social and economic) is an important consideration when interpreting the indicators. The ABS has recently reduced its focus on regularly reporting on the progress of Australia, where a number of these Indicators featured within the Measures of Australia's Progress (MAP) framework. However, should there be increased demand for the ABS to reinstate MAP, the Quality of Employment framework provides a suitable set of indicators to draw on in relation to the 'Quality Jobs' dimension. Further, the ABS plans to reference the Quality of Employment framework in the refresh of 'Frameworks for Australian Social Statistics' within the 'Work' dimension;

(c) Belarus: The proposed *Handbook on Measuring Quality of Employment, A Statistical Framework* does not contain a clear definition of the quality of employment. We agree that quality of employment is a complex and multidimensional concept, and the task of statistics is to provide the full set of indicators, on the basis of which it would be possible to analyse the quality of employment. At the same time, it would be appropriate to have a clear delineation for defining quality of employment;

Response from the Expert Group

3. The definition of quality of employment was further specified in paragraph 16.

(d) Colombia: How are the definition of decent work and quality of employment distinguishable? Considering that the quality of work depends on the "perspective taken", the question is: do we seek international comparability and alignment of indicators? Was a synthetic multidimensional indicator of quality of employment considered? We recommend widening the scope of the section on the concept of quality of employment to indicate that indicators are intended to be internationally comparable. In sub-dimension 1a, it is

important to measure not only the nonfatal occupational injuries, but also the intensity of them. In sub-dimension 1b, the other worst forms of child labor are an interesting and very important measure, but quite hidden and difficult to measure by national statistical institutions. It should be considered whether it should be included as a key indicator given this restriction. In sub-dimension 3c, the care of children in developing countries is complicated to measure correctly, due to the lack of an objective definition of the use of child care. In sub-dimension 4a, the indicators of labour informality still are not agreed upon and measures can be quite heterogeneous. We believe that this should be considered in the document. In sub-dimension 7b, we recommend that the definition of "regularly" in indicator 7b2 should be expanded;

Response from the Expert Group

4. Through the active participation of the ILO in the Expert Group, it has been made sure that the framework is consistent with the Decent Work indicators to the largest extent possible. Still, one of the main differences in approaches is that the statistical framework has been developed as a statistical toolbox that can be used in various contexts and is not linked to a particular policy agenda. As explained in paragraph 31, the use of international standards and recommendations is one of basic principles of the development of the statistical framework. Paragraph 116 further specifies the issue of international comparability and the indicator sheets include detailed remarks about the international comparability of each of the indicators. An overall composite indicator was discussed but ultimately decided against, as it would be controversial and difficult to construct objectively. However, paragraph 109 identifies the development of dashboards, aggregated indicators and the identification of core indicators as a topic for continued exchange of experiences and expertise. Intensity of nonfatal occupational injuries is covered in the recommended disaggregation section of the indicator sheet (e.g., type of injury, number of lost workdays). The difficulty of measuring other worst forms of child labour, child care use and informal employment is reflected by their status as experimental indicators.

(e) Czech Republic: At the fourth common UNECE/EUROSTAT/ILO seminar that was held in April 2007 in Geneva, one of the dimensions discussed was "Employment opportunities". This is an important dimension, including such indicators as, e.g., employment rate, labour force participation rate, unemployment rate, inactivity rate, youth unemployment rate etc. It has been completely omitted in the newly presented document. Similarly, some of the indicators relating to a person's income (e.g. average earnings in selected occupations or share of the working poor in the employed population) has not been further mentioned in the document, despite the fact that, e.g., the percentage of working poor has been increasing recently. These indicators are important for the evaluation of the overall situation in the labour market and it is recommended to include them again in the list. On the other hand, we are sceptical of the use and benefit of some proposed indicators, which are rather of a subjective or personal character. These are, e.g., percentage of employed persons who are exposed to mental well-being risk factors at work, percentage of employed who have been a victim of discrimination at work and percentage of employed persons in informal employment. The last mentioned indicator is hardly ascertainable. Last but not least, one must be aware of additional costs on those surveys (directed to obtaining mentioned information) that are not included into the standard household surveys. It is recommended to re-evaluate the document keeping in mind the above stated remarks;

Response from the Expert Group

5. The importance and role of context information has been clarified in paragraph 38. Breakdown by occupation is recommended in indicator sheet 2a1. Share of working poor has been mentioned as a context indicator in paragraph 65. Further clarifications have been

added about the subjectivity of some indicators and the limitations of discrimination measures.

(f) Eurostat: The definition of quality of employment adequately addresses the multidimensionality of the concept. It is also pertinent to choose the workers perspective comprising objective and subjective indicators;

(g) Georgia: The statistical framework and its set of indicators will assist countries with monitoring and developing their policies to improve quality of employment. The detailed indicator sheets will provide useful practical guidance to National Statistical Offices, but as the statistical framework follows the definitions of employment endorsed by the Resolution concerning statistics of work, employment and labour underutilisation adopted by the 19th International Conference of Labour Statisticians (ICLS) held in October 2013, to further international comparability, it is necessary for countries first of all to adopt the resolution and then expand the collection of statistics on quality of employment where desirable;

(h) Hungary: We agree with the definitions of concepts concerning the quality of employment. However, the operationalization of some indicators in data collection requires further methodological research;

(i) Mexico: With regard to the definition of quality of employment, even though all elements are there, the definition is rather loose in section II. Paragraph 16 is an example. Again, all elements are there but do not tighten up. It is more enumerative than conceptual. It is suggested that where it says: "In other words, quality of employment refers to the conditions, ethics.... And work-life balance of an individual" to add: making worth to be employed beyond a mere survival necessity because that condition provides also a sense of security, social goods and self-respect. The definition should be able to answer the plain question: in short; what is quality of employment?

Response from the Expert Group

6. The definition of quality of employment was further specified in paragraph 16.

(j) OECD: The definition of quality of employment is well suited to the purpose of the framework (i.e. that it is a statistical tool and has no specific link to a policy agenda);

(k) Poland: We generally agree with the definition of quality of employment. However there are few issues that should be addressed: 1) It is not explained if there are any specific reasons to adopt the individual's perspective. 2) The list of indicators also includes regular labour market indicators (such as average earnings, employment level). 3) How to read quality of employment indicators – what is high, what is low quality of employment? How should indicators such as average earnings be interpreted? What about changes in time or differences between groups? In addition, Indicator 5.3, Days not worked due to strikes and lock-out, adopts rather the employers' perspective, so it is worth revising the list of indicators in order to change this indicator;

Response from the Expert Group

7. The adoption of the individual's perspective is a purely analytical decision. The role of context information, including regular labour market indicators, has been clarified in paragraph 38. Paragraph 24 explains that judgments about "high" vs. "low" quality employment are left to the users of the data. The indicator sheets provided detailed explanations about how indicators should be interpreted. "Days not worked due to strikes" is an indirect measure of the effectiveness of social dialogue, which affects both employees and employers. Indicator sheet 5.3 has been updated to clarify that the aim is not to measure the impact on production.

(l) Turkey: Generally, the structure of the framework is clear and coherent except Dimension 7, “Work motivation”. This section might be supported by additional indicators explaining dimensions more clearly (for example premiums, rewards, benefits and facilities based on performance). After receiving feedback from countries, this section could be reviewed. In this report, almost all aspects of quality of employment are covered, with over fifty recommended indicators and detailed definitions. Countries may choose the most appropriate indicators for their policy purposes. Taking into account the large number of indicators, it would be useful to reduce to a limited number of headline indicators that capture employment quality best and are suitable for international comparisons. In that context, an effort should be made to have countries reach a consensus on headline indicators. In Dimension 1 (c), “Fair treatment of employment”, it is difficult to find the indicators of ethnic groups, immigrants, indigenous population and persons with disabilities since these data are difficult to derive from related sources. Dimensions such as sex, age groups and geographic regions, however, are available in our country;

Response from the Expert Group

8. The point about the work motivation section has been added to paragraph 104. The suggestion of headline indicators has been added as a topic for future work. Recommended breakdowns should not be removed simply because they are not available in all countries. Clarification has been added to paragraph 57 that it is the decision of each country to decide which breakdowns are relevant.

(m) The United Kingdom: In the header of each page in the Annex 2, dimension 3 section, the header has dimension 4 instead of dimension 3. There are occasions throughout the indicator sheets where words are written in both English and American form (e.g. organisations/organizations and customised/customized). Would be better to choose one or the other. A number of specific language corrections were also submitted;

Response from the Expert Group

9. The header has been fixed. An effort has been made to standardize English usage, although it should be noted that United Nations language guidelines use a mixture of English and American forms. The specific language changes proposed are reflected in the document.

(n) The United States: expressed interest in being involved in future work relating to quality of employment. The main points they raised are summarized below:

- It may be useful to concentrate on measures at the job level rather than the level of the employed person;
- The discrimination measures (e.g. pay gap) are descriptive statistics that do not necessarily reflect whether discrimination is present;
- Unionization rates do not necessarily correspond to levels of social dialogue;
- We do not agree with the statement in paragraph 3 that pertains to encouraging retirement;
- It is preferable to use the word earnings or wages instead of the word income, since income can include non-work income;
- In general, we do not implement subjective measures;
- Child labour rates should be generated by age groups;
- At least some earnings estimates should be presented on a real (as opposed to nominal) basis;

- It is unclear how the percentage of working mothers or fathers relates to work-life balance;
- The number of people covered by unemployment insurance is not cyclically sensitive;
- The low pay designation seems to be circular and always results in roughly the same proportion.

Response from the Expert Group

10. The Expert Group made a number of changes to the document to address these remarks. Responses to the above points are presented respectively below:

- (a) Text has been added to paragraph 13 to clarify that countries can choose to focus on characteristics of the main job;
- (b) Text has been added to both section IV of the framework and the pay gap indicator sheet to caution inferring that discrimination is necessarily present from these indicators;
- (c) Text has been added to paragraph 96 to emphasize that low unionization rates do not necessarily imply a low level of social dialogue and vice versa;
- (d) The statement in paragraph 3 has been removed;
- (e) The terms "earnings" and "income from employment" are distinct and carefully defined in the document, but some additional clarification has been added;
- (f) Additional text has been added to emphasize that the choice to implement subjective measures is left to the countries;
- (g) Disaggregation by age group is already recommended in the child labour indicator sheet;
- (h) Text has been added to indicator sheets 2a1, 2a3 and 2a4 about using nominally denominated earnings for purposes of comparison;
- (i) Text has been added to indicator sheet 3c1 to elaborate on how the indicator relates to work-life balance;
- (j) Unemployment insurance coverage can be somewhat cyclically sensitive (e.g. it can decrease in periods following a recession), but the text pertaining to this point has been softened;
- (k) The low pay measure uses standard ILO and OECD definitions of low pay. The proportion is in fact quite different for different countries.