

CONFERENCE OF EUROPEAN STATISTICIANS

For discussion and
recommendations

Meeting of the 2013/2014 Bureau
Geneva, 28-29 January 2014

Item 3 (d) of the
Provisional Agenda

PROGRESS OF THE TASK FORCE ON MEASURING HUMAN CAPITAL

Note by the Secretariat

The Task Force on Measuring Human Capital was established at the CES plenary session. The Bureau reviewed the progress of work and discussed the direction of further work.

I. BACKGROUND

1. At its plenary session in June 2012, the Conference of European Statisticians (CES) approved the terms of reference of the Task Force on Measuring Human Capital. The Task Force has a mandate for three years and the objective to pursue the conceptual development of human capital measurement, with priority on developing experimental human capital satellite accounts.
2. The Task Force will undertake the following activities listed in the terms of reference:
 - a) Discuss conceptual issues relating to how human capital is defined and the purposes of human capital measurement, making use of the stock-taking report;
 - b) Consider how the experimental satellite accounts could link with summary indicators which provide proxy indicators of human capital;
 - c) Develop a broad conceptual framework for constructing experimental human capital satellite accounts taking into account the range of intended uses;
 - d) Compile best practice guidelines for obtaining the requisite data and constructing the relevant measures;
 - e) Develop a set of draft accounts/tables using the framework described above;
 - f) Examine in more detail the discrepancies between the estimates of the stock of human capital based on the cost-based and income-based approach and how they can be reconciled;
 - g) Identify areas where improved data are required and investigate what recommendations could be made to influence the type of data that is collected internationally;
 - h) Identify key areas for future work with a focus on developing indicators that could better measure the different dimensions of human capital and its wider benefits.

3. The Task Force has 20 members coming from Australia, Canada, Italy, Netherlands, New Zealand, Norway, Poland, Slovenia, Sweden, United States, OECD, UNECE, the Wittgenstein Centre for Demography and Global Human Capital (Austria), and Universities of Maryland, Southern Maine and Wisconsin-Madison (United States). Ms Ann Lisbet Brathaug from Statistics Norway chairs the Task Force.

II. PROGRESS OF WORK

4. The Task Force on Measuring Human Capital held its first audio conference on 16 December 2013. The Task Force plans to propose a guide on measuring human capital as its final output. The guide could have the following general structure:

- a) Introduction: why is the measurement of human capital important?
- b) Main issues, such as the cost approach, income approach and alternative measures;
- c) Inclusion into national accounts (links to the System of National Accounts).

5. Statistics Norway has committed to draft an issue paper to identify the activities that need to be undertaken by the Task Force and the outputs emerging from the issues mentioned in the terms of reference. It will be shared with Task Force members by the end of January 2014.

III. FURTHER WORK

6. An audio conference will be organized in February 2014 to discuss the following:

- a) The issue paper developed by Statistics Norway;
- b) The preparation of a review of the available literature on human capital measurement;
- c) The agenda of the first face-to-face meeting.

7. The first face-to-face meeting of one and a half or two days will be scheduled for May or June. In January, the secretariat will consult all task force members to identify suitable dates. The meeting is expected to decide, among others, on

- a) The main features of the final output of the task force;
- b) The distribution of tasks among task force members;
- c) The plan for the task force's further work.

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