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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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	• In the main, this chapter has provided a good coverage of the issues.
	• Throughout this chapter, having a consistent approach and style in listing the differences between the SNA and the ILO would benefit the reader, and make various issues easier to understand.
	• There are a number of areas worth covering to provide a more rounded chapter and greater links of population/labour data with the core national accounts framework:
	o Classifications – need to cover the types of classifications used and their key features, such as the Standard Occupation Classification and the links with business industrial classifications. o Surveys – role, significance, differences and benefits played by household surveys as opposed to business surveys to provide labour and employment detail. Only a limited reference is made in Paragraph 19.62.
	• In particular for productivity, it needs to be made clearer the differences between the residence criteria/definitions for labour and that used within the SNA production boundary, and the steps required for consistency with the coverage applied to GDP/GVA.
	• More detail is required on productivity, its definition, labour productivity and its links with multi-factor productivity etc., also use non-algebraic equations to illustrate the definitions.
	• The numbering sequence through the sections has gone awry, for example, there are two sections numbered "1" in various sections.

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	• Need to distinguish households as consumers separate from producers, the former relates to final consumption expenditure and the latter relates to the institutional sector classification of sole proprietors, etc. • Worthwhile also showing links in terminology between SNA and labour market terms, for example, compensation of employees is equivalent to wages/salary. • Need to recognise alternative measures such as income per capita.
19.3	Need to explain shortcomings of per capita measurements.
19.4	This may be true when considering the whole economy GDP and population but when considering particular industries or sectors, the gross value added (GVA) should be used as opposed to GDP. The role of GVA (e.g. GVA per head) should also be mentioned.
19.5	• Should show the links/differences between the ILO and SNA standards. • 1st sentence, remove the word "Clearly". • 3rd sentence, remove "so-called" as the ILO does pass resolutions.

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

B. Population (paragraphs 19.9-19.14)

General comment	
19.9	• Remove the 1st sentence to improve the readability. • 4th sentence, replace ".... less robust methods." with ".... alternative approaches such as information from registers recording births and deaths but less reliable information sources covering immigration and emigration.".
19.10	Need to explain the difference, if any, between population and residence. The paragraph implies there is a difference but not clear.
19.12	Need to recognise that the working population and total population (including children, retirements, etc.) can grow at different rates and different from the growth in GDP. Therefore any per capita movements need to be interpreted as appropriate.

19.13	• 1st sentence, start the sentence with "Growth rates …." And remove "Per capita". • 1st sentence, add the words "change in the" before the word "average", this ensures the comparatives are consistent.
19.14	This section title should be "2. Absolute levels ….." as opposed to "1. Absolute levels…..", the numbering has gone awry.

* 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	The numbering sequence has gone awry, for example, there are two sections numbered "1".
19.16	• 1st sentence, remove extra "." at the end of the sentence. • Need to highlight that labour force measurement is not always entirely consistent between SNA and labour market surveys.
19.19	• Would be useful to show how the SNA and LFS differ, if at all. • Need to distinguish between fully employed directors and fee/commission paid directors and non-executive directors. • Where are homeworkers paid on piecework rates classified?
19.21	Is this paragraph taken from an official publication? The distinction between enterprise owners and persons in paid employment from an enterprise that they own needs to be clarified. In the LFS, we use payments of national insurance to improve the response to the self-employment question.
19.22 a.	This category is usually known as unpaid workers.
19.25	• Need to also recognise that two people could do one job – there are many occurrences of this situation. For example, one job undertaken by two part-time people as opposed to one full-time person. • Need to provide the definition of jobs, for example, what it includes and excludes.
19.27	• Should mention the difficulties in order to achieve comprehensive coverage of these groups, for example, non-resident frontier workers like doctors who may fly-in for out of hours work. • Need to mention the treatment of foreign students in terms of their residency whilst studying and beyond.
19.28	Bullet point c., reword as "Employees of foreign government agencies (including locally based employees) located on the geographic territory of the country;".
19.29	• This paragraph clearly separates the SNA and labour force statistics and shows the transition adjustments. The chapter needs to follow this practice throughout, maybe in tabular form.

	• Need to explain what are conscripted forces? • Bullet point d., what does "an institution" mean in this case?
19.30	Would smugglers be included? If so, how? They do contribute to GDP in terms of their margin activity as output; after costs as mixed income and the income they spend as expenditure.
19.31	Last sentence, remove one of the extra commas.
19.32	1st sentence, remove the word "generally".
19.34	1st sentence, replace "… by these rates." with "… by the actual payments received.".
19.35	• Replace "…employed in SNA terms and there is …." with "… employed and considered outside the production boundary as defined by the SNA, therefore there is …". • It is worth mentioning, that these individuals need to be included in any per head analyses otherwise the results will be distorted.
19.37	Need to explain why no labour services are attributed to the services provided by owner-occupied dwellings.

* 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	• Could also describe the role and use of unit labour costs. • The numbering sequence has gone awry, for example, there are two sections numbered "1".
19.46	• This chapter needs to be consistent with any resolutions passed at the ILO conference in November/December 2008. Any reference to the 'adopted ILO resolution may need to reflect any changes to the wording of the resolution. Also the words in the text are presented in a way that makes it looks like it is the exact wording but this is not the case - it has been changed to flow better - which it does! • This paragraph should distinguish between the existing SNA definitions and proposed definitions that will be ratified at the ILO conference in November/December 2008. • It is not clear why points (1) and (2) are separated. • Could (3) and (4) be merged with (5) and (6) respectively? It is not clear why there is a distinction being made for the inclusions and exclusions between "hours actually worked" and "statistics of hours actually worked". • Part (3) (a) combines direct and related hours but they are separated in the latest draft of the ILO resolution. Points from (i) to (vi) relate to related hours and not direct hours. • Part (5) describes hours worked. Need to explain how this concept is different from hours actually worked? If there is no difference, using hours actually worked is probably best for consistency. The bullets appear

	consistent with the definitions contained in "Report II Measurement of Working Time".
	• It appears that Parts (3) and (4) may be setting out the ILO definitions and Parts (5) and (6) setting out the SNA definitions. Otherwise commuting is already excluded under Part (4) (b) and repeated in Part (6).

* 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	• The numbering sequence has gone awry, for example, there are two sections numbered "1".
19.57	Need to refer to capital services or at least explain how they fit into the definition of capital productivity.
19.61	It would be more correct to say that labour force **household** surveys **do not cover** (rather than exclude) defence force personnel. This is mainly because the Workforce Jobs Surveys pick up defence force personnel and they are not excluded, but are not always covered.
19.63	Replace the words "working time" with "hours worked". Working time is defined differently and not used in the productivity calculations.
19.68	• 1st sentence, change "problematical" to "problematic". • Needs to be clear that the assumption of using a single PPP based on GDP across all industries allows for no variation, differences in productivity, etc.

* 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	
19.67	2nd sentence, add "comparisons of levels." after "…. alternative.".
19.69	• Need to describe within each type there can be variation in frequency, for example, monthly, quarterly, annually or less frequently. • Need to cover the role of say, annual benchmarking of shorter-term sources.
19.72	The slant of this paragraph needs to reflect that administrative data has a role to play in National Accounts. For example, administrative data based on tax and employment records provide a key input to National Accounts compilation of the income approach to measuring GDP. The data forms a key source for estimating various factor incomes such corporation profits, compensation of employees, income earned-in-kind, self-employment income and rental income. Although the data is less timely than business surveys, the coverage is often more complete although not exhaustive. The data provides a good check and an alternative to the production and expenditure approaches to measuring GDP.

* 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? No

2. Is the discussion of standardised labour inputs sufficient? Yes

3. Is the discussion of labour productivity sufficient? No

4. Can you recommend references to be included?

Specific comments:

Specific comments	

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