



Global Conference on Macroeconomic Statistics for the Future

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#Statistics4Future

Labour, education and human capital

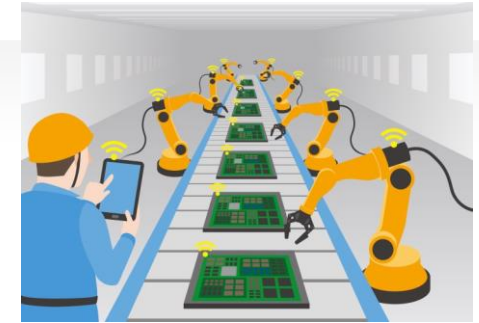
Session 2 Beyond GDP - Part 2

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Overview

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Transformation of the labour market



Impact of COVID-19 policies

- Different policies across countries.
- Changes in working practices:
 - Homeworking, flexible working hours, zero hour contracts, wider geographical location(s) to source employees, etc.
- Lower labour taxation and social security contributions.
- Labour subsidies to businesses.
- Huge impact of school closures, etc.

Wider sources of impact

- Globalisation (e.g., MNEs use of labour).
- Digitalisation (e.g., cashless society).
- Environment (e.g., Green jobs).
- Technical innovation replacing workers:
 - Artificial intelligence (AI), robots, 3-D printing, etc.
 - Retailers' self-service checkouts.
 - Impact on government revenues.
- Labour mobility - national and global.
 - Migration, refugees, etc.
- Demographic change.

All of these have short-term and long-term consequences and contribute to creating uncertainty.

Importance of skills

Changing needs:

- Growing skills mismatches and shortages.
- Changing adverts and job requirements with different / new skills, e.g., soft skills.
- Targeted measures to mitigate unemployment and equality (gender, youth, ageing workers, etc.).
- Need to transform skills delivery systems, e.g., digital learning, teachers' training, MOOCs, etc.

Role of skills

- Importance of developing new skills and different skills is critical.
- Investment in skills contribute to economic and productivity growth:
 - Affect countries' comparative advantage in trade.
 - Exporting firms tend to be larger, more productive and employ higher skilled labour.



*Coping skills,
people skills
and managing
change skills.*

... transformation of the labour market and skills re-generation in turn affect employment, living standards, quality of life, retirement and the next generation.

Driving policy and policy drivers

Changing landscape

- Unemployment and social protection.
- Businesses:
 - Closure of businesses / redundant skills
 - New business models - different national and global value chains
- Scarcity of skilled people for new growing domains, e.g., gig economy.
- Rural, urban, city and cross-country impacts.

Forward looking

- Education:
 - Starting from kinder garden
 - Development of inter-personal skills
- Work, skills and training:
 - Re-training the workforce
 - Job quality
- Labour market regulation:
 - Protect the individual, working conditions, pay, etc.
 - Better work life balance

Notion of a secure, stable and permanent job for life is in rapid decline, if not history!
Today's employment requires a flexible and more adaptable workforce with different skills.

Role of labour

Labour (human) contributes to:

- Production, consumption and distribution.
- Forming a key factor of production along with capital and land.
- Forming a basis of exchange.
- Reducing inequality and poverty.
- Productivity, real income growth, etc.



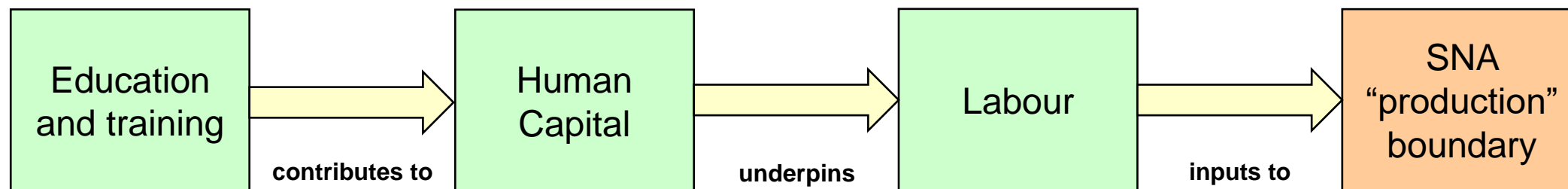
Labour supply **versus** labour demand

- **Supply** determined by the number of people in the population able to work and their willingness to work.
- **Demand** determined by the health of the economy, businesses, labour laws, earnings, prices and the supply of the others factors of production.

Moving to the 2025 System of National Accounts

Education / training and human capital link labour to production

- Labour is a primary input at the heart of production.



2025 SNA

- More prominence given to labour via a separate chapter in the central framework.
- Inclusion of labour domains covering jobs, people, volume (hours) and payments.
- Linking of demographic breakdowns by gender, age and educational attainment.
- Greater harmonisation between the SNA and ILO Resolutions.

Forms of work and employment framework

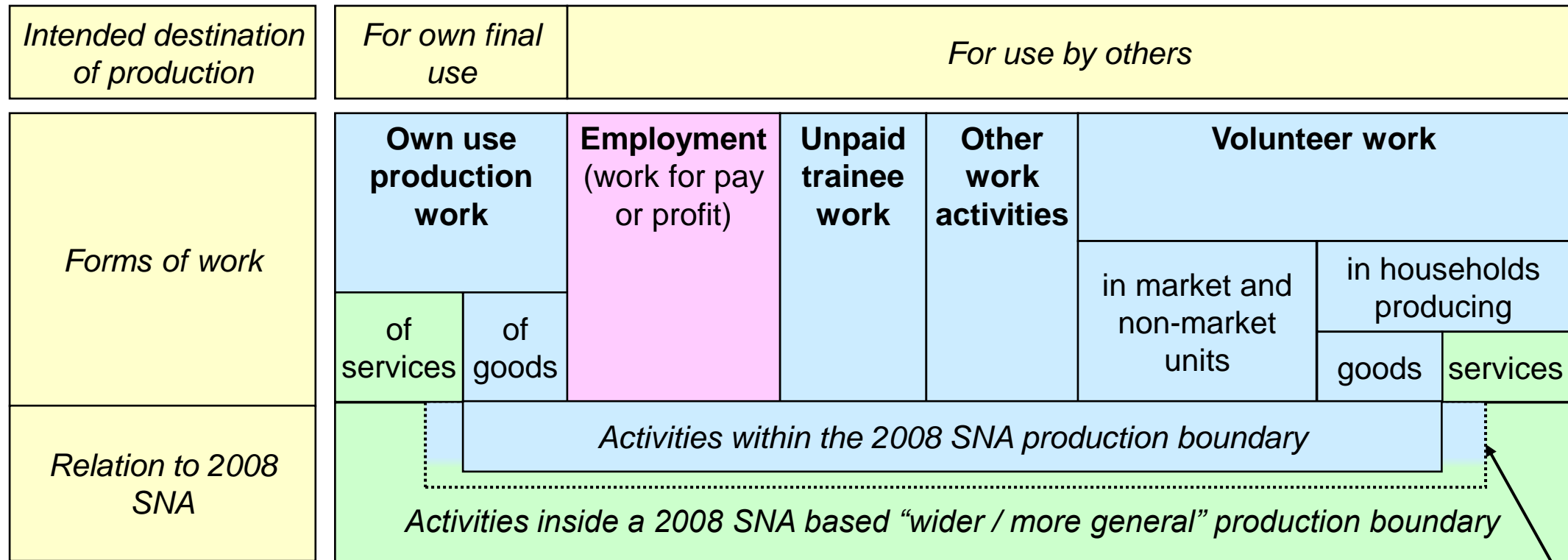


Diagram based on the ILO Resolution concerning statistics of work, employment and labour under-utilisation

Blurring of the boundary

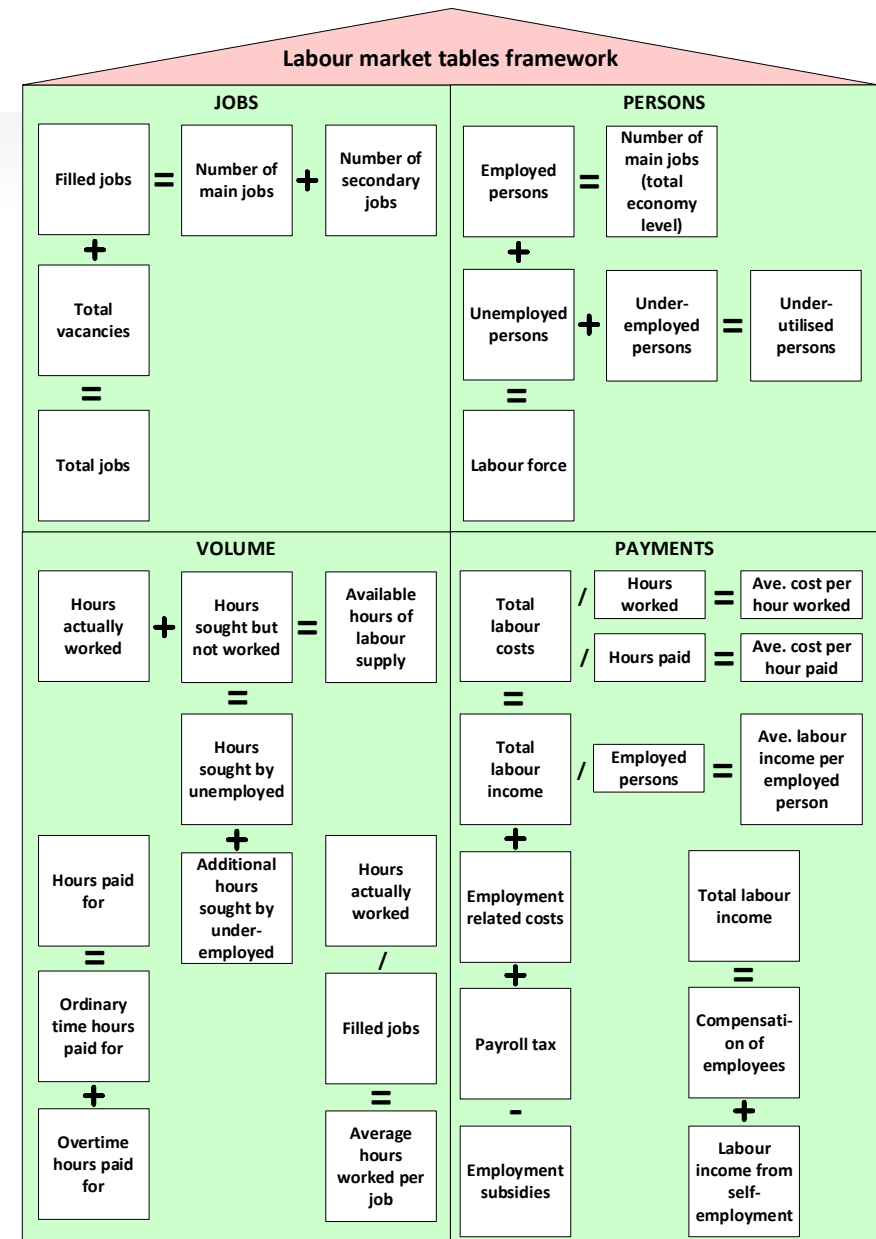
Terminology and definitions

Lots of terminology and definitions used:

- **Jobs**
 - Main jobs, secondary jobs, etc.
- **Persons**
 - Links to different types of persons.
- **Volume**
 - Hours worked, hours sought, hours paid, etc.
- **Payments**
 - Labour costs, labour income, etc.
- **Various per head or per hour type ratios**

Supply and Use Tables to include a new supplementary table

- Improving consistency and coherency of “industry” based labour data and national accounts data.



Harmonisation of definitions

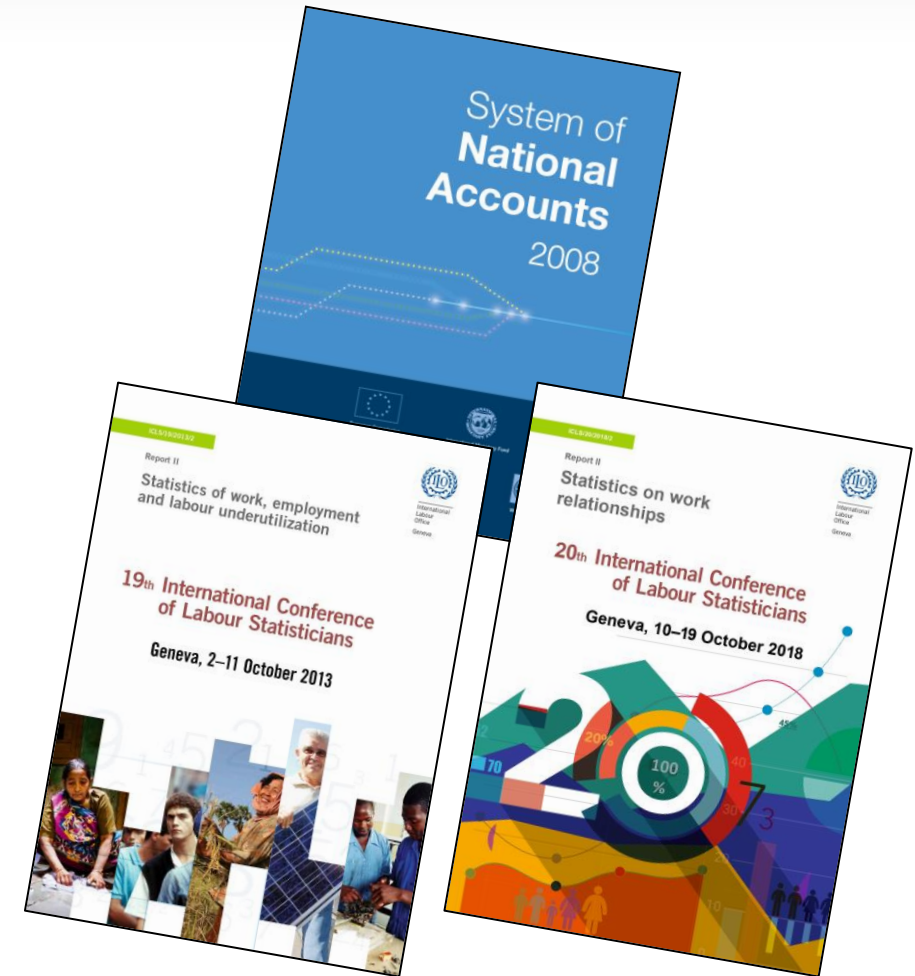
Two key sources for international standards:

- United Nations
 - 2008 System of National Accounts (SNA)
- International Labour Organisation
 - Resolutions: ICSE-18 and ICLS-19

Need for greater harmonisation of definitions:

- Some may be resolved.
- Some will reflect different boundaries.

Legitimate differences will remain and can be shown transparently via bridge tables.



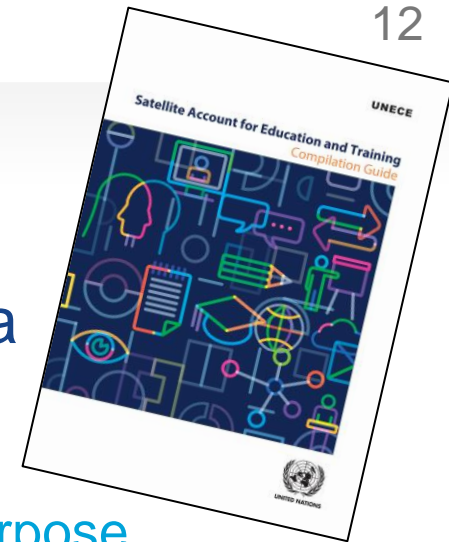
Education and training

Recommendations for 2025 SNA

- Develop Education and Training Account as an extension, including:
 - Monetary and non-monetary data;
 - Own account (in-house) training; and
 - Demographic breakdowns and distribution of investment across groups (gender / age).
- Utilising the UNECE Satellite Account for Education and Training (Compilation Guide).
- Consider values for unpaid household education services.

Particular focus for this area

- Educational attainment of the resident population.
- Financing / cost tables by purpose.
- Number of students and graduates.
- Participation in vocational training and lifelong learning.
- Utilising other available material:
 - UNESCO, OECD, Eurostat, UN and UNECE material covering these areas.
 - NSOs who have already compiled the SAET.



Human capital

Recommendations for 2025 SNA

- Human capital as a resource is not new but more prominent in recent years with sustainability in mind.
- Needs study and research for many NSOs - conceptual, methodological and data source requirements.
- Focus on pragmatic and achievable steps developing extended accounts outside of the core SNA:
 - Developing cost-based education measures.
 - Produce income-based monetary stock measures with gender, age and education detail.

Particular focus for this area

- Existing monetary measures published for human capital covering over 130 countries by:
 - United Nations Environment Programme (UNEP) and Kyushu University Urban Institute.
 - World Bank.
- Utilising other available material:
 - UNECE Guide on Measuring Human Capital.
 - Experimental estimates produced by some NSOs.



Summary and the way ahead

- Rapid, ever-changing labour market conditions have wide-spread societal, economic and environmental impacts - **affecting every household**.
- Timely, reliable, consistent and coherent statistical data is key:
 - To ensure policy decisions are relevant, effective and appropriate.
 - Metrics to evaluate and assess the impact of policies.
 - Help the wider user base to enhance its analytical capability to inform debate.
- The 2025 SNA will play a key role improving various areas:
 - Labour
 - Education and training
 - Human capital
- Lots of work done, lots of work ahead of us...





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