

# The Statistics Newsletter

*for the extended OECD Statistical Network*

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## **The OECD Forum on “Statistics, Knowledge, Policy”**

*By Enrico Giovannini, Chief Statistician of the OECD*

In a rapidly changing, increasingly interdependent world complex cross-boundary responses are required by a host of daunting issues and opportunities. Productive debate and decisions require comprehensive, trustworthy and comprehensible information. Therefore, observation and measurement in the service of learning and decision making is vital. Over the last ten years, several OECD countries and the European Union have launched initiatives to establish one or more sets of indicators to evaluate the evolution of economic, social and environmental phenomena, as well as the quality of policies undertaken by public authorities. In several cases, such indicators are widely used to perform benchmarking exercises and to assess relative performances of national or local communities. A few countries have launched and implemented comprehensive “national projects”, sustained and supported by the highest policy authorities, to produce regular reports or electronic sources of information based on an agreed set of indicators covering economic, social and environmental domains.

While the United Nations Millennium Development Goals (and related indicators) provide a framework for evaluating the progress of developing countries, there exists no co-ordinated worldwide effort to study the development and implications of these large-scale systems of public information for developed countries. Therefore, the OECD has decided to act as a catalyst to convene and promote research and information sharing among countries, allowing them to compare strategies intended to measure and assess the overall “position” and “progress” of a certain political entity (country, region, etc.) vis-à-vis other similar entities.

The project, which is not intended to develop any comprehensive set of international indicators or reports, is based on two pillars:

- **Project-based collaborative research:** to conduct a comparative analysis of experiences already available in OECD countries in this domain, deriving lessons learned and topics for discussion that will help build knowledge on how meaningful indicators systems are developed and used and frame issues to be taken up by OECD countries;
- **An organised community of practice:** to establish an ongoing international forum where policy makers, parliamentarians, experts from academia and other interested parties (business associations, trade unions, NGOs, etc.) would meet periodically to analyse best practices and new developments in the area of quantitative assessment of the overall performance (progress) of various types of political (or administrative) entities.

The first OECD Forum on “Statistics, Knowledge and Policy” will be organised in Italy on November 2004. The aim of the Forum is to catalyze, promote and sustain a global community of practice on how to develop indicator systems for political units on major areas of interest. The focus is how statistics are fundamental for decision making and how institutional setups for developing comprehensive statistical indicators sets can be established. The hope is that participants will leave the Forum with an enthusiastic view of what they can gain from pursuit of an indicators initiative at their own national level and that the OECD is one of the world’s leading organisations in developing statistical knowledge linked to policy making and is a key resource for its member countries to improve their capacity to face current and future economic, social and environmental challenges.

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To achieve this goal, a diverse and wide audience will be invited to attend the Forum. The participants are equally if not more important than the topics themselves. World class representation from the social, economic, cultural and political communities will be invited. The media will also be involved because it plays an important role in advancing statistics and indicator related information. The idea is to invite a selected group of opinion leaders and key players in policy making from each OECD country. In addition, representatives from the largest non-member countries (Brazil, China, India, Indonesia, Russia and South Africa) will be invited, with a total group of approximately 500 people.

The Forum will be prepared through preliminary research work carried out on topics to be discussed at the event itself. National and international experiences will be analysed comparatively and the results of such analyses will be distributed before the event takes place. The proceedings of the Forum will be made available to the public. Finally, the OECD will present at the Forum its Statistical Yearbook, a new publication designed to present a selected group of statistics collected by various Directorates of the OECD.

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### ***Expansion of the OECD MEI Database for Business Tendency and Consumer Opinion Surveys***

*By Richard McKenzie, OECD*

The Statistics Directorate (STD) of the OECD has recently undertaken a project to significantly expand the range of data series it provides on business tendency and consumer opinion surveys. This is in response to the increasing use of these data for monitoring and forecasting business cycles, and in econometric models to predict key macro economic variables (e.g. GDP, Industrial Production etc.). Recent examples of work in this field include the development of short-term GDP forecasts by the OECD Economics Department (see: [Indicator models of real GDP growth in selected OECD countries](#)) and the establishment of the new OECD/CIRET journal on Business Cycle Measurement and Analysis which publishes research papers in this field

(see: [OECD - CIRET Journal of Business Cycle Measurement and Analysis](#)). Business tendency survey data also feature among the main component series for the OECD composite leading indicators.

Historically, the data used for these analyses and indeed that maintained on the OECD Main Economic Indicators (MEI) database has been restricted to business tendency surveys in the Manufacturing industry (and to a lesser extent consumer opinion survey data). However, a key aspect of the recent development work of the OECD in this area has been to identify a core set of indicators on business tendencies in the Construction, Retail Trade and Services industries.

The value of business tendency series in these sectors for economic analysis has recently been demonstrated in a comprehensive study conducted by the French National Statistics Institute (Bouton & Erkel-Rousse, 2003). This study found that data from business tendency surveys in the Manufacturing and Services industries encompass complementary pieces of information

which can be used to improve models for forecasting GDP growth rates on a one-or-two-quarter horizon. Furthermore this research found that all sectoral business tendency surveys enable one to derive early information on sectoral production and workforce size. The French Retail Trade business tendency survey also shows good performance in forecasting the household consumption aggregate.

Consequently the enhanced OECD database of business tendency and consumer opinion surveys will provide analysts with the most comprehensive set of series for this subject in the world, given that its coverage also extends to the big 6 non-member countries (China, Russia, South Africa, India, Indonesia and Brazil).

#### **Data Content**

A key aspect of the development work undertaken by the OECD was to identify a core set of 'target indicators' from consumer opinion and business tendency surveys within each sector and obtain these series for each of the OECD and big 6 non-member

<b>Target list of series for Business Tendency and Consumer Opinion Surveys</b>	
<b>Manufacturing industry</b>	<b>Construction industry</b>
Manufacturing confidence indicator	Construction confidence indicator
Business situation: present	Business (activity) situation: present
Business situation: future	Business (activity) situation: future
Production: tendency	Demand/Orders inflow: future tendency
Production: future tendency	Order books: level
Orders inflow or demand: tendency	Employment: future tendency
Order books: level	Selling prices: future tendency
Export order books: level	
Finished goods stocks: level	
Raw material stocks: present situation	
Rate of capacity utilisation	
Employment: future tendency	
Selling prices: future tendency	
<b>Retail Trade industry</b>	<b>Services industries</b>
Retail confidence indicator	Service confidence indicator
Business (activity) situation: present	Business (activity) situation: present
Business (activity) situation: future	Business (activity) situation: future
Volume of stocks: level	Demand evolution: tendency
Employment: future tendency	Demand evolution: future tendency
Order intentions or demand	Employment: tendency
	Employment: future tendency
<b>Consumer opinions</b>	
Consumer confidence indicator	
Expected inflation	
Expected economic situation	

countries. These target indicators are shown in the table below, although coverage of these series varies slightly amongst countries depending on the availability of data. Series for the Construction, Retail Trade and Services industries are now available through MEI products for all European Union and Candidate countries, United States (non-manufacturing only), Japan, Korea, Switzerland, China, Indonesia, Russia and South Africa.

Where available from data suppliers, OECD aims to provide both seasonally adjusted and raw series for these data. Where countries do not supply seasonally adjusted series, OECD is in the process of establishing (i.e. the work is not yet complete and additional series will be created in the coming months) seasonally adjusted series using X-12 Reg-ARIMA, provided the series exhibit seasonality. Series on Consumer Opinions, Construction, Retail Trade and Services industries for European Union and Candidate Countries are supplied by the European Commission and are only available in seasonally adjusted form.

#### **Timeliness**

The OECD is acutely aware that to serve the needs of analysts the timeliness of these data is a major issue. Therefore data for the most recent month will be made available for all countries (except consumer opinion series for Australia, Canada and New Zealand which will be published with a 1 month lag) in all MEI online and CD-ROM products, which are generally published around the 10<sup>th</sup> of the month (e.g. February 2004 data was released on 8 March 2004).

#### **Ongoing Work**

The Statistics Directorate (STD) have been working closely with the European Commission and country representatives to further develop and improve the quality and comparability of data output from business tendency and consumer opinion surveys. An inaugural worldwide workshop on this topic was held in Brussels in November 2003 from which a number of working groups have been established to progress issues relating mostly to data quality and harmonisation.

The STD are also evaluating whether the European Commission could be used as its single source for data on manufacturing industry business

tendency surveys. This has certain advantages in terms of operational efficiency and for the consistency of data published by international organisations. However it would also result in discontinuing the collection of some series in this sector which have been maintained on the MEI database for a long period of time. Key users of these data will be consulted, most likely in May, before any changes of this nature are implemented.

The STD are also planning to produce comparative tables across countries and zone aggregates for headline business and consumer confidence indicators. We are also considering the possible development of a world business confidence indicator through combining data for OECD member and the big 6 non-member countries which together represent over 80% of world GDP.

For further information on business tendency and consumer opinion surveys, please contact Ronny Nilsson: [ronny.nilsson@oecd.org](mailto:ronny.nilsson@oecd.org). Subscriptions to the MEI database can be made through Source OECD <http://new.sourceoecd.org/> and more information on the contents of the MEI database is available at: <http://www.oecd.org/std/mei>

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### ***Harmonisation of Government Sector Accounts By Jean-Pierre Dupuis, OECD***

Government finance is an increasing subject of concern, comparison and surveillance at international level. In the context of the revision of the System of National Accounts 1993 (SNA93), an international Task Force on Harmonisation of Public Sector Accounting (TFHPSA) was created in October 2003. The aim of the Task Force is to reconcile the three existing standards on general government accounts: national accounts standards (SNA93 and ESA95), IMF standards on Government Finance Statistics (GFS) and public accounts standards set up by the International Federation of Accountants – Public Sector Committee (IFAC-PSC). A major output will be the drafting of a new chapter in the revised System of National Accounts (whose publication is expected in 2008).

The task force addresses key issues for government statistics, such as recording

of tax, privatisation, military weapon systems, employers' pension schemes etc. This would lead for instance to capitalise the acquisition of military equipment (presently recorded under SNA as intermediate consumption of government), to better take into account implicit liabilities (or "constructive obligations") related to retirement pensions, ensure harmonised recording of taxes and tax credits, as well as of government guarantees provided to public enterprises.

The TFHPSA met in Paris (6-11 February 2004) in OECD headquarters: 28 persons attended the meeting, representing 6 international organisations and 14 OECD countries. Information about the activities of the task force was provided to the OECD Accruals Symposium (senior budget officials). The success of the meeting was largely based on an excellent cooperation between the OECD (Statistics Directorate, in cooperation with Public Governance and Territorial Development Directorate) and the IMF (Statistics Department), as well as with the International federation of Accountants – Public sector Committee (IFAC-PSC). At the very beginning, few countries, Australia and the UK, were committed. Several other countries, like the USA, New Zealand, Germany and France show now an increasing interest.

All proposals from the chair of the task force have been accepted: five working teams have been set up, monitored by five leaders (from IMF, OECD, Eurostat and ECB), and a time table agreed on. Papers and proposals issued by the working teams will be submitted to the Intersecretariat Working Group on National Accounts within the following horizon:

- February 2004: Military Weapon System (the proposed change to capitalise military equipment was welcome)
- November 2004: Pension schemes, Tax revenue and tax credit (first version), Privatisation and Special Purpose Vehicles, Earnings and funding of public corporations
- November 2005: Tax revenue and tax credit (second version), Delineation of public sector, Contingent assets and guarantees

To achieve this goal two meetings are planned in the short term: one in

September 2004 (hosted by the IMF), the other in February 2005 (hosted by the OECD). Within a two-year time horizon, major steps towards harmonisation of government and public accounts are expected.

**Announcing OECD Forum  
12 - 13 May, 2004  
Centre de Conférences  
Internationales, Paris**

The OECD Forum is a multistakeholder summit which brings together business and labour leaders, civil society personalities, government ministers and leaders of international organisations to discuss the key issues of the 21st century.

*OECD Forum 2004* will tackle the hottest issues on the international agenda, notably:

- 1) **Health of the world economy;**
- 2) **Health of multilateral co-operation;**
- 3) **Health of our citizens.**

For more information see:

<http://www.oecd.org/forum2004>

initiative, such that by 2000, over 60% of the government sector was measured using direct output measure (See table 1).

Below are a few examples of current ONS output indicators of the UK government:

**Health:** provision of treatments of various kinds in hospitals; provision of services by family doctors, opticians, pharmacists and dentists;

**Education:** number of pupils;

**Police:** number of solved crimes;

**Prisons:** number of prison nights.

Although for many of the functions the output indicators are exhaustive and cover most of the services, government is ever evolving and many public services introduce new ways of working or improve the quality and effectiveness of their outputs. Moreover, the unit of output is not always easy to define or measure. Output – the delivery of something of value to the consumer, as a result of public spending – is often confused with activity, whether or not the activity has value. Output is also often confused with social outcomes, for example, the level of education of the population, life expectancy or public order, which are influenced by external factors that are unrelated to education, health and police services provided by government.

Current UK government output measures do not adjust for quality (with the exception of education which currently has a fixed and exogenous 0.25% quality adjustment factor applied each year). Conceptually, measuring quality for the service sector is difficult but has to be considered in the direct measurement of output. For services such as health and education, the absence of quality adjustment of

outputs causes substantial problems. Expenditure on inputs has been increasing significantly in the UK since the late 1990s with much of the expenditure focused on improving the quality of services. However, these improvements may not have been adequately reflected by the output statistics and as a result, any implied estimate of government productivity could be misleading.

Measuring government inputs correctly and defining and measuring current and capital expenditure is also important. For example, spending could be classified as current expenditure although it is spent on building a capability rather than to support current activity e.g. nurse and medical training, classroom refurbishment, or research and development.

Given the issues noted above, relating both to the current output and input measures, the Atkinson Review has been set up by Len Cook, the UK National Statistician, with the key objective to advance methodologies for the measurement of government output, productivity and associated price indices in the context of the National Accounts, recognising:

- the full scope of government outputs;
- differences in the nature and quality of these outputs over time;
- the relationship between government outputs and social outcomes;
- the need for comparability with measures of private sector services outputs and costs;
- the existing work of the ONS; and
- the appropriate measurement of inputs, including quality and the distinction between resource and capital, so that, together with the

**Measuring UK Government Output**

*By Janet Snelling, UK Office for National Statistics*

Government output accounts for 20% of UK GDP. Measuring it accurately is therefore important for the measurement of the economy as a whole. Until 1998, all UK government outputs were measured via the measurement of real inputs, thereby assuming no change in productivity. International guidelines (SNA93 and ESA95) recommend that National Accountants directly measure government output. ONS has been among the world leaders in this

Table 1

Services with direct measures of Output	2000 share of government expenditure
Health	30.3%
Education	17.1%
Personal Social Security	7.4%
Social Security	2.7%
Fire Service	1.2%
Prisons	1.2%
Legal Services Commission (legal aid)	0.8%
Courts (crown, county and magistrates)	0.4%
Probation Service	0.4%
Crown Prosecution Service	0.2%
<b>Total measured by direct estimates of output</b>	<b>61.7%</b>
Services measured by Inputs	2000 share of government expenditure
Local and Central Government Other	23.4%
Defence	14.9%
Police - (but experimental output indicators constructed)	5.7%*
<b>Total measured by reference to inputs</b>	<b>38.3%</b>

measurement of output, light can be thrown on developments in government productivity.

Sir Tony Atkinson, the Warden of Nuffield College, Oxford, is leading the Review and is supported by a team seconded from HM Treasury, the Office for National Statistics, and the Bank of England.

The first major milestone of the review is the publication of an interim report in July 2004. This will include general principles and recommendations for measurement of government output as well as more specific recommendations for the most important government functions in terms of expenditure. This interim report will draw on consultations with experts and stakeholders both in and outside the ONS. The final review report is due to be published in January 2005. That will

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## ***Towards National Strategies for the Development of Statistics***

*By Antoine Simonpietri,  
PARIS21 Consortium*

A majority of developing countries do not have statistical systems capable of providing policymakers, the public, and partners with the data they need to take sound policy, business, social, and personal decisions. But we are at a turning point. Statistical demand is at an all-time high. Countries require statistics for the definition, implementation, and evaluation of their poverty reduction policies. The Millennium Development Goals (MDGs) provide a global framework for statistical demand. Increasing the capacity of systems to monitor the MDGs is a minor, but key, cost of their achievement.

Statistical development is now on the agenda of major international meetings, such as the Monterrey International Conference on Financing for Development in 2002 and most recently the Marrakech Second International Roundtable on Managing for Development Results in 2004. The Marrakech memorandum, jointly signed by the OECD Development Assistance Committee (DAC) chairman and the heads of multilateral development banks, affirms that a "global effort is needed to support countries in

generating reliable and timely data to assess progress toward the Millennium Development Goals and other country goals, and to strengthen international reporting mechanisms."

In 1999, the Partnership in Statistics for Development in the 21st Century (PARIS21) was established to develop a culture of transparent, evidence-based policymaking and implementation which serves to improve governance and government accountability and effectiveness in reducing poverty and achieving the MDGs. The PARIS21 Secretariat is hosted by the OECD in its Development Co-operation Directorate. The PARIS21 Consortium is a partnership of policymakers, analysts, and statisticians from all countries of the world who focus on promoting high-quality statistics, making these data meaningful, and designing sound policies. PARIS21's role is to foster more effective dialogue among those who produce development statistics and those who use them, through facilitating international events, supporting country-based activities, regional workshops, and subject-matter task teams. PARIS21 recently underwent a formal evaluation that recommended the initiative be extended an additional three years (i.e., until the end of 2006).

In October 2003, the PARIS21 Steering Committee reviewed and approved a new work programme for the

### **European Conference on Quality and Methodology in Official Statistics**

This conference, to take place in Mainz, Germany, on 24-26 May 2004, will cover current thinking and new developments in the field of quality and methodology in Europe and the world. It builds on the successful experience of the International Conference On Quality and Official Statistics in Stockholm 2001.

There will be speakers from 31 countries representing 58 institutions, and over 200 papers for the 32 sessions planned. More information on the conference content can be found at <http://q2004.destatis.de>

partnership. For the 2004–2006 period, PARIS21 will focus its efforts on assisting all low-income countries to establish **National Strategies for the Development of Statistics (NSDS)** by 2006 in order to have nationally owned and produced data for all MDG indicators by 2010. The NSDS sets an overall vision for the national statistical system which:

- includes national, regional, and international needs;
- merges with the national development and poverty reduction policy;
- serves as a framework for international and bilateral assistance;
- includes all parts of the data production units; addresses the issues related to the analysis and use of data; follows the international standards including data quality, and;
- builds on past and existing activities and experiences.

The NSDS comprises five principal phases:

- (1) securing political commitment and launching the process;
- (2) outlining a road map;
- (3) establishing a diagnosis of the current situation and deducing from it a vision for the future and the results to be obtained;
- (4) deciding on strategies to build capacities to produce the desired results, then;
- (5) determining a timeline for the actions to be implemented.

Each phase is considered completed when its proposals have received the formal approval of the appropriate authorities. As statistics are part of governance and a tool for political development, strategic decisions concerning their development depend on national political support.

A statistical development strategy requires a period of several years to sustainably modify the behaviours of the numerous actors and the relationships between them. The strategy has to take account of the large number of activities underway, about to be launched, or that are scheduled and financed by partners. The strategies are generally slow to take off in the initial two years due to decisions already in place and the inherent inertia in administrative and regulatory decision-making.

The establishment of an NSDS is by necessity a consultative process. The country's stakeholders, data users, personnel, media, civil society, and partners are consulted on meeting data needs, working conditions, and the quality of the statistical service that is expected by all. The NSDS covers all national activities linked with official statistics: the system's institutional, technical, and administrative framework; its financing; human resources; partnerships; policies; methods and processes; and the conditions of their use for decision-making (whether at central, sectoral, or local levels). Including all actors in the NSDS process enables statistical authorities to manage *for* (as opposed to *by*) results from development and poverty reduction policies.

In 2004, PARIS21 will prepare good practice guidelines outlining methods for developing an NSDS and drawing on the wealth of existing literature on the topic. The authors will consult with OECD DAC member countries, partner countries, and relevant international institutions.

For more information, please contact Eric Bensele: [eric.bensel@oecd.org](mailto:eric.bensel@oecd.org)

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## ***International Comparisons by the U.S. Bureau of Labor Statistics***

*By Jacob Kirchner, Aaron Cobet, and Joyanna Moy, BLS*

The U.S. Bureau of Labor Statistics (BLS) provides a set of easily accessible labor statistics adjusted for comparability to aid users in making meaningful international comparisons. BLS selects a conceptual framework for comparative purposes; obtains foreign data and documentation from many sources and translates the material into English when necessary; analyzes sources and methods to assess quality and comparability; and adjusts statistical series where necessary and feasible for greater comparability.

BLS publishes statistics adjusted for comparability on hourly compensation costs for production workers in all manufacturing and in component manufacturing industries; labor productivity and unit labor cost trends in the manufacturing sector; and labor

force, employment and unemployment for the total economy. The measures produced relate primarily, but not entirely, to the major developed countries.

The BLS comparisons are used by policymakers, both in the United States and abroad, to assess relative economic performance and international competitiveness. Other data users include companies interested in foreign investment or trade and labor unions that want to compare labor across countries. Academics, students, and international organizations are other regular customers.

Summaries of the three major BLS comparative programs follow. More detailed information can be found in the source documents listed, all of which are available on the BLS website at: <http://www.bls.gov/fls>. Direct links to the latest releases are provided in each section below.

An overview and analytical articles on historical trends in the three major comparative series were published in the June 2002 issue of the *Monthly Labor Review* and are available at: <http://www.bls.gov/opub/mlr/2002/06/contents.htm>

### **Hourly Compensation**

The need for comparable measures of wages and employer labor costs was the

#### **The OECD Statistical Programme of Work for 2004**

The OECD Statistical Programme of Work for 2004 is now available on the OECD website at:

[www.oecd.org/statistics/workprogramme](http://www.oecd.org/statistics/workprogramme)

The first part of this document presents recent developments in the implementation of the OECD Statistics Strategy launched in 2001 and provides a summary of the 100 activities envisaged for 2004. The second part provides a more detailed description of the individual statistical activities, highlighting their purpose, objectives, outputs, publications and databases produced by each activity, and main developments expected in 2004.

impetus for beginning the development of the BLS hourly compensation costs series in the 1970s. The more readily available average earnings statistics published by many countries can be very misleading for international comparisons. National definitions of earnings differ considerably, and the omitted items of compensation frequently represent a large proportion of total compensation.

The BLS hourly compensation series covers production workers in total manufacturing—as well as 40 component manufacturing industries—for 30 countries. Represented in the series, which begins in 1975, are economies in Europe, South America, East Asia and Oceania, as well as the United States, Canada, and Mexico. BLS calculates total hourly compensation costs by analyzing four types of data:

1. Pay for time worked (basic time and piece rates, overtime premiums).
2. Other direct pay (vacation/holiday pay, seasonal or irregular bonuses).
3. Social insurance costs (legally required programs, contractual and private benefit plans).
4. Taxes and subsidies.

Generally, these components are not available from one source. For example, earnings, hours, and employment data usually come from establishment and enterprise surveys, while the non-wage compensation data are often found in labor cost surveys or other sources. The data are published in national currencies as well as U.S. dollars by using annual average exchange rates.

The definition used for the BLS international comparisons differs from the U.S. definition of compensation costs as well as from the ILO definition of total labor costs. The hourly compensation series produced by BLS does not include all items of labor costs. For instance, the costs of recruitment, employee training, and plant facilities and services are not included because comparable data are not available for many countries. The labor costs not included, however, account for no more than four percent of total labor costs in any country for which the data are available.

In 2004, news releases are scheduled for the spring and fall. The earlier

release contains revised data for 2002 and the later release presents preliminary figures for 2003. News release: <http://www.bls.gov/news-release/ichcc.toc.htm>

Supplementary tables: <ftp://ftp.bls.gov/pub/special.requests/ForeignLabor/supptab.txt>

Component industries: <http://www.bls.gov/fls/flshcind.htm>

### **Labor Productivity and Unit Labor Costs**

Since the 1960s, BLS has complemented its domestic productivity measurement program with international comparisons of labor productivity trends in manufacturing. The comparative productivity trends provide information on the health and competitiveness of the U.S. economy vis-à-vis a number of its major trading partners.

These measures cover the manufacturing sectors of the United States, Canada, Japan, Korea, Taiwan, and selected western European countries. Most data go back to 1950. All comparisons are of trends rather than levels. BLS does not prepare productivity level comparisons because of data limitations and technical issues.

Published measures include labor productivity, hourly compensation, and unit labor costs. The underlying data are available upon request. Labor productivity is defined as real output per hour worked. Although labor is the only input considered, labor productivity reflects the joint effects of all influences affecting productivity rather than the specific contribution of labor as a single factor of production.

For most countries, output is defined as real (deflated) GDP produced in the manufacturing sector as published in each country's national accounts. The output concept used for the international comparisons differs from that used in the official BLS productivity series for the United States. Hours worked in manufacturing include hours of all persons engaged in the manufacturing process, including the self-employed. For some countries, hours data are taken directly from national accounts; for others, BLS constructs its own estimates.

Hourly compensation measures are also obtained from national accounts. Compensation includes employer expenditures for legally required

insurance programs and contractual and private benefit plans, in addition to all payments made in cash or in kind directly to employees.

Unit labor cost relates productivity and hourly compensation to estimate the cost of the labor required to produce one unit of output. Generally, an increase in unit labor cost hurts a country's competitiveness vis-à-vis its trading partners, while a decrease improves that country's competitiveness.

In 2004, releases are scheduled for the spring and fall. The earlier release contains revised data for 2002 and the later release presents preliminary figures for 2003. News release: <http://www.bls.gov/news.release/prod4.toc.htm>

### **Labor Force, Employment and Unemployment**

The BLS comparative labor force program had its origins in the early 1960s when a major project to evaluate foreign unemployment statistics and prepare data adjusted for comparability was undertaken in response to a request from the President's Committee to Appraise Employment and Unemployment Statistics. The Committee was concerned that the apparent differences in unemployment rates among countries were due to national differences in definitions and methodologies rather than to real differences in labor markets. Unemployment rates adjusted to U.S. concepts were initially prepared for seven foreign countries.

Over time, the number of countries covered and the number of variables produced has grown. The BLS program currently covers the United States and nine foreign countries—Canada, Australia, Japan, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom. BLS also compiles time series back to 1959 or 1960 of comparative annual estimates of the labor force, employment, unemployment, unemployment rates, and employment by major economic sector. Also included are participation rates, employment ratios and unemployment rates, all by gender.

In 2004, an update was released in February and another is planned for the summer. The earlier release contains revised data for 2002, and the later release presents preliminary data for

2003. Release: <http://www.bls.gov/fls/flsiforc.pdf>

Since the mid 1970s, a table containing the most recent monthly or quarterly comparative unemployment rates, approximating U.S. definitions, has been prepared, coinciding with the release of the monthly U.S. Employment Situation. These monthly and quarterly comparative unemployment rates are seasonally adjusted. Beginning in the 1990's, the table has been posted each month on the web site. Release: <ftp://ftp.bls.gov/pub/special.requests/ForeignLabor/flsjec.txt>

Three other organizations also compile internationally comparable unemployment rates: the OECD, the Statistical Office of the European Communities, and the International Labor Office. For a discussion of the differences in the various programs, see the appendix to the following article: <http://www.bls.gov/pub/mlr/2000/06/art1full.pdf>

#### **OECD Financial Accounts database now available online!**

Financial Accounts data is now freely available in a new OECD online database at: <http://www.oecd.org/statistics/finance>

Data are presented here from 1995 onwards for 23 OECD countries, and relate to two institutional sectors: the General Government and Households and Non-Profit Institutions Serving Households.

Data from the BLS program have been used to produce studies on youth unemployment; labor force participation rates; and employment by sector. Over the years, special studies were prepared on additional topics in the labor force field, including, most recently: work and the family (2003) and special analyses of unemployment in Mexico (2000). These studies can be accessed from <http://www.bls.gov/fls> by going to "Publications and other Documentation" and clicking on "More Monthly Labor Review articles." For general inquiries on any aspect of these programs, please contact: [flshelp@bls.gov](mailto:flshelp@bls.gov)

# ACCESS ON LINE DEVELOPMENTS

## OECD Productivity Database By Paul Schreyer, OECD

As announced in the February *OECD Statistics Newsletter*, the OECD Productivity Database has been made publicly accessible on March 15, 2004. The OECD Productivity Database aims at meeting the demand of internal and external users of OECD statistics by bringing together those series that are judged best suited for productivity analysis. It can be accessed at: <http://www.oecd.org/statistics/productivity> and data are available in spreadsheet

format. Where possible, data has been complemented with methodological information to facilitate an assessment of its quality and its international comparability. Furthermore, the website provides links to relevant analytical work carried out by OECD.

At this point, the database comprises the following series concerning productivity growth: (i) Measures of output growth (GDP); (ii) labour input growth (index of total hours worked); (iii) labour productivity growth (index of GDP per hour worked); (iv) capital services growth; (v) growth of the combined input of labour and capital; (vi) cost shares of inputs; (vi) multi-factor productivity growth. Presently,

these data are only available at the level of the total economy. Estimates of labour productivity growth are available for 26 OECD countries and cover the period 1970-2002. Estimates of multi-factor productivity growth are available for at least 14 OECD countries, including the G7 countries and for the period 1985-2002 (or latest year available).

The database will be updated on an ongoing basis and expanded to enhance country and sector coverage. Feedback on the data or methodology as well as on the accessibility of the database is most welcome.



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**Output**

**Statistics, Data and Indicators (1)**

[Output - Data: GDP Index and Percentage Change](#)(xls,134Kb,English) [View long abstract](#)

14-Mar-2004

Output in the OECD Productivity Database refers to Gross Domestic Product in constant prices. The measures are typically based on OECD's Annual National Accounts, since this provides estimates of GDP that ...

**Labour Input**

**Statistics, Data and Indicators (1)**

[Labour Input - Data: Total Hour Worked Index and Percentage Change](#)(xls,116Kb,English) [View long abstract](#)

14-Mar-2004

Labour input is defined as total hours worked of all persons employed. The data are derived as average hours worked from the OECD Employment Outlook, multiplied by the corresponding and consistent measure ...

**Manuals, Sources and Methods (1)**

[OECD Measures of Total Hours Worked](#) (pdf,48Kb,English) [View long abstract](#)

14-Mar-2004

According to the 1993 System of National Accounts (SNA93), total hours actually worked is the preferred aggregate measure of labour input for productivity analysis, as it reflects the volume of work engaged ...

**Labour Productivity Total Economy**

**Statistics, Data and Indicators (1)**

[Labour Productivity - Data: GDP per Hour Worked Index and Percentage Change](#)(xls,116Kb,English) [View long abstract](#)

14-Mar-2004

Labour productivity is defined as GDP per hour worked. The measures are presented as indices and as rates of change.

**Capital Services by Type of Asset**

**Statistics, Data and Indicators (2)**

[Capital Services by Type of Asset Based on Harmonised Price Indices for ICT Capital Goods - Data: Indices and Percentage Change Based on Harmonised Deflators](#)(xls,185Kb,English) [View long abstract](#)

14-Mar-2004

Capital services represent the capital input in production for the total economy. Presented as indices and rates of change, they relate to the total economy, broken down by six types of assets. Price indices ...

[Capital Services by Type of Assets Based on National Price Indices for ICT Capital Goods - Data: Indices and Percentage Changes Based on National Deflators](#)(xls,183Kb,English) [View long abstract](#)

14-Mar-2004

**Don't miss**

- [Why Does the OECD Publish Several Productivity Measures?](#)
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**OECD Productivity Manual**



**OECD Productivity Manual: A Guide to the Measurement of Industry-Level and Aggregate Productivity Growth**

This is the first comprehensive guide to the various productivity measures and addresses statisticians, researchers and analysts who are involved in constructing industry-level productivity indicators.

## Implementation of the OECD's New Statistical Information System – using a modular approach

By Trevor Fletcher, OECD

The OECD's Statistical Reform process, combined with evolutions in the software market, has led to the development of a new system for managing the statistical information process at the OECD. The new Statistical Information System (SIS) is made up of a number of main software components for management of statistics through their entire life cycle from data collection through validation to eventual dissemination via paper, electronic data products or the internet.

SIS has been conceived and designed in a modular fashion, based on software components (applications) that can be used individually or together as a whole according to specific requirements. This leaves a database administrator free to decide which modules are most appropriate for managing their own data.

The development of SIS is the result of a collaborative effort between the OECD's directorate for Information Technology and Networks (ITN), the Statistics Directorate (STD) and the Public Affairs and Communications Directorate (PAC).

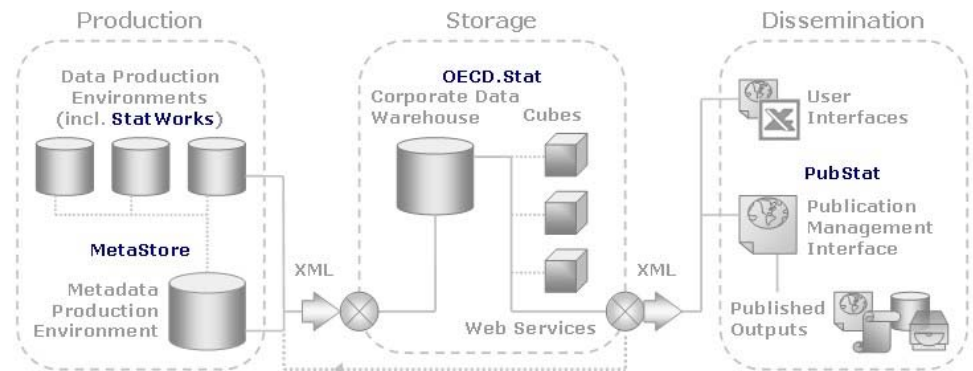
### System Overview

SIS consists of the following main modules:

**Data Capture.** SIS promotes the use of Interactive Excel Questionnaires for data capture. These questionnaires contain programmed data checking routines that highlight any inconsistencies to both the data provider and recipient. This provides an additional layer of validation.

**StatWorks.** The *StatWorks* application provides a common, SQL-based repository for statistical data and a set of tools for data management, in particular:

## Statistical Information System Architecture



- Initial data migration from legacy environment;
- Database administration;
- Security management;
- Data importing and validation;
- Calculating control and output series;
- Data querying via Excel and Web interfaces;
- Data export.

**MetaStore** Provides an application interface with common tools for the preparation, storage, access, management and dissemination of statistical production metadata.

**OECD.Stat** is the central data warehouse where validated statistics and related metadata are stored. It includes a number of Web Services and interfaces that provide the following functionality:

- Automated data loading;
- Data access via an Excel Wizard;
- Data access via Web Browser;
- Web Services to automatically export data to standard EDP, XML and other output formats.

**PubStat.** This Publication interface provides the author with means to manage publication layout instructions and store this information for future re-use. *PubStat* generates formatted XML that is transformed into camera-ready files for printing with layouts based on the new OECD publication standards.

### The Modular Approach

Database owners can thus join SIS at any point(s) along the processing chain and can adopt a "mix and match" approach in using whatever applications (or parts thereof) that best respond to their particular requirements. In this manner users can continue to benefit from existing custom applications that cater to specific processing requirements.

The following databases currently using the SIS that demonstrate selective use of SIS modules for data processing.

- ITCS – Trade data and metadata are currently managed in a specific custom production environment. Trade data is exported from the production database into the *OECD.Stat* warehouse to benefit from generic Web Services to output data in XML format for transfer to other international organisations.
- MEI – data is managed in a custom production environment. Metadata is now managed in *MetaStore*. Both the data and metadata are then exported into *OECD.Stat* to be used as a dissemination base.
- Pensions – The Pensions database uses the full range of SIS components to manage its data and metadata through its entire life cycle.

- SSIS – the SSIS database uses the validation interface of *StatWorks* as a temporary means of checking new inputs. This data is then reloaded back to the current production database.
- UIS – UNESCO are using *StatWorks* and *MetaStore* for all data and metadata management.

### Technology Used Within SIS

The SIS applications have been developed using the following main OECD standard components:

- Microsoft SQL Server 2000 relational databases for data storage;
- Microsoft SQL Server Online Analytical Processing (OLAP) ‘data cubes’ for data queries;
- Microsoft .NET development environment for client interfaces and processing;
- Microsoft Excel for Interactive questionnaires and online access using pivot tables;
- Web Services;
- Common technology platform: SQL Server, OLAP, XML, ASP.NET.

### SIS Development Approach

The various components have been developed within separate teams across the three participating directorates (ITN, STD and PAC). The overall development has been staggered over time and has not been managed as a single project. Frequent meetings have been held at developer level to ensure the integration of the various modules and much effort has been made to enable the adoption of standards throughout the system at the levels of software, naming conventions (of both data content and data structures) and the use of a common glossary of terms. Much effort has also been made to facilitate the sharing and re-use of development work across applications to avoid duplication of effort and to ensure a coherent end-product in both look & feel and in the program code itself.

### The Integration Strategy

Integration between the different components is effected using the XML file exchange format. Data inputs into the production environment are based on a standard flat file format.

The implementation status is:

- *StatWorks* – Production version as of March 2004.
- *MetaStore* – In test mode - production expected May 2004.
- *OECD.Stat* – Production since July 2003.
- *PubStat* – In development.

These developments represent a further important step towards the OECD’s goal of a fully integrated statistical Information processing system. For more information, please contact: [Trevor.Fletcher@OECD.org](mailto:Trevor.Fletcher@OECD.org)

## NEWS IN BRIEF

### Conclusions from the Second Workshop on Composite Indicators of Country Performance

This workshop was organised in conjunction with the Joint Research Centre of the European Commission (JRC) in Ispra, Italy and was held in Paris 26-27 February 2004. The main objective of the workshop was to get input for the planned “Handbook On Constructing And Using Composite Indicators Of Country Performance – A Research On Useful Practices”, to be written jointly by OECD and JRC.

The handbook will be ready for presentation at the “OECD Key Indicators World Forum”, November 2004. The process towards the World Forum has three main steps:

1. a revised outline of the handbook will be published on the JRC Website before the end of March;
2. a first draft of the text for steps in “Considerations for Users” and “Steps In Construction” will be ready May 2004 and sent to invited reviewers for comments;
3. the drafts will be made available at the JRC Website for general comments by August 2004.

All presentations and additional information is available at [www.oecd.org/sti/micro-policies](http://www.oecd.org/sti/micro-policies) or <http://farmweb.jrc.cec.eu.int/ci>.

The discussions on the first day of the workshop concluded that the outline of the OECD-JRC Handbook covered all the important areas. The discussion also highlighted the need for including a benchmark for evaluating the importance of the various steps in constructing composite indicators, and the impact on final results of choosing alternative methods.

The second day of the workshop began with an extensive discussion of the need for a quality framework on composite indicators. This was followed by a discussion of ways to use composite indicators for analytical purposes. Composite indicators can in many ways expand the knowledge and understanding of policy issues. The session also discussed the need to distinguish between performance, achievements and inputs in the selection of indicators.

The last three presentations focused on concrete composite indicators and how they were developed and used in the political context. This discussion highlighted transparency and the continuing dialog with outside experts as an important component of the success of a composite indicator.

### Full implementation of Korean national accounts system from 1968 SNA to 1993 SNA

The Bank of Korea, the official institution of national accounts compilation in Korea, announced on March 23, 2004 that it has implemented completely the System of National Accounts 1993. In conjunction with this, the data series have been revised for the most recent 9 years (1995 -

2003) and the remaining series prior to 1995 will be revised and published by the end of this year. In addition, statistics are now presented on a base year of 2000 = 100. Before this full revision, there had been a partial implementation to SNA93 in 1998 when the Bank performed slight changes, such as introduction of new aggregate indicators like GNI, adjusted disposable income, and revision of accounting structures. However, with this revision, virtually all of the SNA93 recommendations have been implemented, with the most significant changes being:

- Change of product valuation method from market prices to basic prices;
- Allocation of FISIM into sectors and industries;
- Extension of capital formation (software, military expenditures available for civilian purposes etc.) and consumption of fixed capital (roads, railways etc.)
- Application of chain indices to semiconductors and other commodities which are rapidly changing in quality;
- Reclassification of functional accounts according to the new classification system like COICOP, COFOF and COPNI.

These new data series are now available on the Bank of Korea website [www.bok.or.kr](http://www.bok.or.kr)

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## **RECENT PUBLICATIONS**

□ **OECD Statistics on International Trade in Services: Volume I: detailed Tables by Service Category – 1993-2002 – 2004 Edition**  
(Co-edited with EUROSTAT)

This joint OECD-Eurostat publication includes statistical data by detailed type of service on international trade in services for the 30 OECD countries as well as definitions and methodological notes. The data are reported within the framework of the fifth edition of the IMF's Balance of Payments Manual and the Extended Balance of Payments Services Classification (EBOPS), which is consistent with the balance of payments classification but is more detailed. Also available on CDROM and on line at: [new.SourceOECD.org](http://new.SourceOECD.org).

□ **International Development Statistics: 2004 Edition**

Published by the Development Assistance Committee (DAC) of the OECD, this CD-ROM provides economists and researchers with a unique source of up-to-date comparative development statistics and information on: volume, origin and types of aid and other resource flows to over 180 aid recipient countries; individual aid activities on bilateral/multilateral Official Development Assistance or Official Aid commitments by sector, donors, recipient, with detailed information on projects; amount and composition of the external debt of 168 aid recipient countries; key development indicators; Aid

charts for DAC members, recipient countries/territories and regions. For further information, please consult: [www.oecd.org/bookshop](http://www.oecd.org/bookshop) and [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats).

□ **Science and Technology Statistical Compendium 2004**

The S&T Statistical Compendium 2004 was prepared for the January 2004 meeting of the Committee for Scientific and Technological Policy (CSTP) at Ministerial level. It mainly draws on databases, indicators and methodology developed by the CSTP's Working Party of National Experts on Science and Technology Indicators (NESTI) Working Party, and is compiled by the Directorate for Science, Technology and Industry (DSTI). It presents a wide selection of the most policy-relevant and internationally comparable indicators currently available in the field of science and technology.

The document looks at the state of science and technology in the OECD across four broad dimensions: Section A: Innovation and R&D. Section B: Human Resources in Science and Technology (HRST). Section C: Patents. Section D: Other areas (ICT, globalisation, industrial structure).

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**Editor in chief:** Enrico Giovannini

**Editor:** Richard McKenzie

**Editorial assistant:** Marie-Line Noonan

**Technical advice and assistance:** Sonia Primot

**Distribution:** Anne Hamilton

**For further information contact:** *The Editor, The Statistics Newsletter, email* [STD.STATNEWS@oecd.org](mailto:STD.STATNEWS@oecd.org)

Readers are invited to send their articles or comments to the above email address

***Deadline for articles for the next issue***

***21 May 2004***

**Contributors in this issue:**

Yong –Gil Cho, OECD/STD

Jean-Pierre Dupuis, OECD/STD

Trevor Fletcher, OECD/ITN

Anders Hoffman, OECD/STI

Jacob Kirchmer, Aaron Cobet and Joyanna Moy, BLS

Paul Schreyer, OECD/STD

Antoine Simonpietri, Paris21 Consortium

Janet Snelling, ONS

## **Forthcoming OECD Statistics Meetings**

*N.B. Unless otherwise indicated attendance at OECD meetings and Working Parties is by invitation only*

27-30 April	Workshop on PPPs, <i>Statistics Directorate (STD)</i> Ljubliana, Slovenia
28-30 April	Joint UNECE/Eurostat/OECD Meeting on National Accounts, Geneva, Switzerland. For more information see <a href="http://www.unece.org/stats/">http:// www.unece.org/stats/</a>
26-30 April	5 <sup>th</sup> International Trade Statistics Experts Meeting and OECD-Eurostat Meeting of Experts in Trade in Services, <i>Statistics Directorate (STD)</i> , Paris
11-14 May	Conference on Non Observed Economy – ESCAP and selected NMCs, <i>Statistics Directorate (STD)</i> , Bangkok, Thailand
24-25 May	Ad Hoc Meeting on Biotechnology Statistics, <i>Directorate for Science, Technology and Industry (STI)</i> , Paris
1-2 June	Workshop OECD/Paris21 on International Statistical Co-operation, <i>Development Co-operation Directorate (DCD)</i> , Paris
3-5 June	The Second OECD Conference of Ministers responsible for SMEs, On Promoting Entrepreneurship and Innovative SME's in a Global Economy, Istanbul, Turkey. For more information see: <a href="http://www.oecd-istanbul.sme2004.org/">http://www.oecd-istanbul.sme2004.org/</a>
7-8 June	High Level Group on Statistics, <i>Statistics Directorate (STD)</i> , Paris
10 June	Working Party on Statistics Workshop: Sharing Experience on Donor Information Systems, <i>Development Co-operation Directorate (DCD)</i> , Paris
8-10 June	Conference of European Statisticians, <i>United Nations/OECD Statistics Directorate (STD)</i> , Paris
28-30 June	OECD Short-term Economic Statistics Expert Group (STESEG), <i>Statistics Directorate (STD)</i> , Paris

## **Other non-OECD Statistical Upcoming Meetings**

22-28 April	UNESCAP for the 60 <sup>th</sup> Annual Commission Session and the Launch of the 2004 Economic and Social Survey, Shanghai, China
10-14 May	Regional Workshop on Poverty statistics in Latin America and Caribbean, Rio de Janeiro, Brazil
17-19 May	Symposium on Statistics for Development: Dialogue between Users, Doha, Qatar
17-19 May	Meeting on the Management of Statistical Information Systems, Geneva Switzerland
22-24 May	9 <sup>th</sup> International Energy Forum, Amsterdam, Netherlands
24-26 May	Joint UNECE/WHO Eurostat Meeting on Health Statistics, Geneva, Switzerland
24-26 May	European Conference on Quality and Methodology in Official Statistics, Mainz, Germany
27-28 May	CCSA Data Quality Conference, Wiesbaden, Germany. For more information see: <a href="http://unstats.un.org/unsd/acsub/CDQIO.htm">http://unstats.un.org/unsd/acsub/CDQIO.htm</a>
9-11 June	7 <sup>th</sup> International Forum on Tourism Statistics, Stockholm, Sweden