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Joint ECE-Eurostat-ILO Seminar
on Measurement of the Quality of Employment
(Geneva, 3-5 May 2000)

Measurement of the Quality of Employment: Introduction and Overview

Invited paper submitted by the European Communities (EUROSTAT) and the Bureau of
Statistics, International Labour Office (ILO)

Summary

1. The creation of employment opportunities is legitimately considered to be a great step forward towards the goal of reducing the level of unemployment. However, among policy-makers, social partners, researchers and the general public, employment growth and labour market reforms have given rise to the question as to whether or not the "quality" of jobs created is improving parallel to the increase of employment. There is a growing awareness of the need to shift attention from a merely quantitative dimension (number of jobs/employed persons and volume of employment) to a more qualitative dimension. As formulated by the Director-General of the ILO, the ultimate desirable goal is the securing of equal and "decent work" opportunities for women and men. Decent work means more than providing jobs in sufficient number and with adequate levels of productivity and remuneration. It also means adherence to internationally agreed labour standards in areas such as rights at work, conditions of employment and work including occupational safety and health, social protection, and social dialogue. Furthermore, in the European Employment Strategy quality of employment is a key issue in the modernisation of the work

organisation to achieve a balance between flexibility and security.

2. Whether a job is considered good or bad by its incumbent depends to some extent on individual perceptions and preferences that may change over time according to variations in the business cycle and changes in the incumbent's personal situation. It thus seems to be impossible to measure the quality of employment as such. What is possible, however, is to collect data on important aspects of the employment situation, which are often not covered in regular labour statistics programmes and for which no established system of indicators exists. "Quality of employment" then refers to a set of characteristics that determine the capability of employment to satisfy certain commonly accepted needs. The measurement of the quality of employment involves the identification of relevant employment characteristics and the collection of statistics for these characteristics.

3. A first set of relevant characteristics of the quality of employment concerns the contractual arrangements associated with the various forms of employment and their implications for the conditions of employment and work (job security, working time, remuneration, etc.). In recent years, factors such as the liberalisation and globalisation of markets, privatisation and relocation of industrial capital, fragmentation of production processes, flexibilisation and deregulation of labour markets and, in some countries, transition from a centrally planned to a market economy have contributed to a diversification of forms of employment. The newly emerging forms of employment are often referred to as new, non-standard, atypical, precarious, irregular, informal, etc. forms of employment as they deviate to a greater or lesser extent from the conventional model of full-time regular wage employment which used to characterise the world of work for many decades. Examples include: part-time or part-year employment; fixed-term (i.e. non-permanent) employment contracts; min-max contracts; on-call work (or "zero hours" contracts); jobs arranged by temporary help agencies or contract firms; casual employment; notional self-employment; contract labour; outwork/homework; etc. Workers in such forms of employment tend to be either not covered by labour legislation or collective agreements, or covered by special clauses explicitly made for them. As a result, in terms of job permanency, protection against arbitrary dismissal, entitlement to non-wage benefits, coverage by social security and income support schemes, etc. the workers concerned tend to have less rights than workers in full-time regular wage employment.

4. Statistics are needed which show: (i) the trends in employment by form of employment/type of contract; (ii) the implications for the conditions of employment in terms of job permanency, protection against arbitrary dismissal,

entitlement to non-wage benefits, social security coverage, etc; (iii) the effects on employment duration and labour turnover (account being taken of other factors including the business cycle); and (iv) the differences in the before-mentioned between different groups of workers.

5. For self-employed persons, the employment quality characteristics depend on the conditions for developing entrepreneurship rather than on the contractual work conditions. These conditions are related to the legal framework within which businesses operate (including labour market liberalisation), the administrative and tax burden, the access to financial services tailored to their specific needs, the availability of support services when a business is set up, etc.

6. Hours of work, involuntary part-time work, multiple job-holding and certain types of variable or inconvenient work schedules (shift, evening, night or weekend work) belong to those characteristics of employment quality that are traditionally measured by the labour force surveys of many countries. Further development is needed on the application of the revised international guidelines for the measurement of time-related underemployment, on the measurement of inadequate employment related to excessively long hours of work, and on statistics of working time arrangements including leave arrangements. Time use surveys are considered to be a useful source for evaluating and complementing data on hours of work, work schedules and working time arrangements obtained from labour force or establishment surveys.

7. Employment-related income is perhaps the indicator of employment quality that is most often mentioned. Monitoring the wage trends reflecting changes in productivity (and inflation) is essential because of its effects on purchasing power and consumer demand. (In countries, where unemployment insurance schemes are lacking or unemployment benefits are low, most people cannot afford not to work. In such situations, earnings are considered to be a more sensitive labour market indicator than the unemployment rate, labour force participation rate and hours of work, which show little short-term fluctuation.) Furthermore, it would be useful to have statistical information not only on the level of employment-related income, but also on the different forms of remuneration and their impact on income security, on the extent to which the level of income is protected through minimum wage regulations, wage indexation mechanisms, etc., and on earnings distributions and inequalities (e.g. gender-specific wage differentials). Further work is needed on how to define and measure the concept of income-related inadequate employment.

8. Another set of relevant characteristics of the quality of employment concerns the job content, in particular the use of skills. Skill-related inadequate employment is characterised by an inadequate utilisation and mismatch of occupational skills. Since there is a tendency for skill requirements to increase and for life-long learning to become ever more important, the access and incentives for training, which a job offers to retain or upgrade one's occupational skills, also play a prominent role for how people judge the quality of their employment, as do the opportunities for career advancement and occupational upward mobility. Surveys have shown that workers themselves also tend to include the following among the relevant characteristics of job quality: the interest of the work; the variety of tasks (job design); the difficulty or hardship of the work; the prestige offered by the job; the independence of the job; and the quality of interpersonal relations. Some of these characteristics relate to employment as a means of social integration.

9. In addition, quality of employment depends on the physical work environment in terms of occupational safety and health. Important characteristics are the exposure to and nature of accidents and injuries at work, occupational diseases and other work-related health problems, as well as the measures of protection against them. Finally, there is the institutional context of industrial relations and voice representation that determines many aspects of the quality of employment. Examples include: the employees' membership in trade unions and representation in work councils; their coverage by collective agreements; the degree of workers' participation in decision-making and in changes of the work organisation; whether workers and employers have a right to strike and lockout; and the extent to which they make use of this right in cases of industrial disputes. For self-employed persons, a legal status and the membership in business associations or the likes are essential elements which determine their protection, organisation and voice representation.

10. The seminar is meant to be a forum for presenting relevant statistical data and analyses, for exchanging views and experiences, for discussing methodological issues related to data sources, coverage, definitions, classifications, question formulations, measurement problems, etc., and for pointing out possible areas for further work at the national or international level.
