Introduction of business statistics indicators related to selected social aspects of well-being and sustainability

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#### Outline

- Which indicators related to selected social aspects of well-being and sustainability have been developed / selected in the work by UNCEBTS?
  - The connection to the SDG's
- The handbook and the technical sheets what are the recommendations?
  - Example: Average hourly earnings for employees in businesses by sex



#### **Overview – dealt with in the 1<sup>st</sup> webinar**

Well-being and sustainability indicators can be grouped into four domains



https://unstats.un.org/unsd/business-stat/UNCEBTS/Manual\_on\_Principal\_Indicators\_Final\_White-Cover\_Version.pdf



#### **Environment - dealt with in the 2**<sup>nd</sup> webinar



- Water-use efficiency in businesses (SDG 6.4.1)
- Level of water stress attributable to businesses (SDG 6.4.2)
- Share of renewable energy consumption in businesses (SDG 7.2.1)
- Energy efficiency in businesses (SDG 7.3.1)
- Green investment by businesses (SDG goal 9)
- Greenhouse gas emissions generated by businesses per unit of value added (SDG 9.4.1)



#### **Research and development**



- Research and development expenditure as a proportion of gross value added (SDG 9.5.1)
- Researchers (in full-time equivalent) per million inhabitants (SDG 9.5.2)



#### Taxes



- Taxes and other payments of businesses to the Government (SDG 17.1.2)
- Total taxes paid by businesses as a proportion of total government tax revenues (SDG 17.1.2)



#### Social aspects – today's topic



- Proportion of women in managerial positions (SDG 5.5.2)
- Annual growth rate of gross value added per employed person (SDG 8.2.1)
- Average hourly earnings for employees in businesses by sex (SDG 8.5.1)
- Unemployment rate, by sex, age, and persons with disabilities (SDG 8.5.2)
- Gross value added of businesses per employed person (SDG 9.2.1)
- Sector employment as a proportion of total employment (SDG 9.2.2)
- Job openings (vacancies) in businesses



## **Part of an integrated information system** The indicators are within the context of international statistical standards





### The technical sheets – an example (1)

Name of indicator	Average hourly earnings for employees in businesses by sex
Definition of the indicator	Average hourly wages and other benefits paid (or allocated via pension schemes) to employees by sex during a reference year.
Objective of the indicator	The indicator is about equal pay for equal work. More precisely the indicator shall indicate the eventually gender pay gap as well as pay in different business sectors. Break downs will improve the value of the information
Contribution and usefulness of the indicator	Equality between women and men (and in relation to in example minority groups) is a global human right and part of the SDGs. Reliable information on the development in hourly earnings will be a tool for several stakeholders, including trade unions, government, and business organisation. It should be noted that statistics on the matter hardly can catch all aspects on equal pay.

#### The technical sheets – an example (2)

Classification	ISIC Rev. 4
Industrial Coverage	At a minimum, it is recommended to cover ISIC Rev. 4 B-N, P-R, 95-96
Breakdown	<ul> <li>The recommended overall breakdown is by sex.</li> <li>It is recommended to have a breakdown by 2-digit ISIC division at a minimum.</li> <li>It is desirable to have a breakdown by mgt./non-mgt. positions, by classification of jobs.</li> <li>Further breakdown by, for example, age or salary-components would be desirable.</li> <li>Depending on data availability, it is desirable to have a breakdown by enterprise size (Micro: 0-9 employees; Small: 10-49 employees; Medium: 50-249 employees; Large:250+ employees).</li> </ul>

### The technical sheets – an example (3)

Algorithm	Salary payouts divided by the corresponding hours worked.
Description of the calculation of the indicator	The calculation of the hourly earnings in the respective breakdowns shall include all type of salaries, overtime- payments, bonuses, and other benefits paid during the reference year. This amount of money must be divided by the corresponding working hours, taking part-time and over-time employment into consideration.
Unit of measure	Monetary value (earnings per hour in absolute figures, national currency). Can be supplemented by a calculation showing the eventual pay gap for women and by the number of men and women in the respective groups.

## The technical sheets – an example (4)

Statistical unit	Enterprises (and in case of lack thereof, establishments)
Reference period	The basic reference period is the year.
Frequency of data collec- tion and dissemination	Annual
<b>Dissemination format</b>	Publications, such as, key figures/pocketbooks; statistical books; statistics in focus; new releases and on-line dataset
Timeliness	For annual data, data should be published within one calendar year of the end of the reference year.
Source data type	Data are likely to be collected from the enterprises on a sample survey, balancing the desired granularity, quality, and the burden on the enterprises, as well as on the statistical institutions. The SBRs are the expected main source for sampling and the later grossing up.

#### The technical sheets – an example (5)

Reference	[1] Sustainable Development Goal (SDG) Indicator 8.5.1
Documents	(UN Global indicator framework adopted by the General
(abbreviated)	Assembly (A/RES/71/313), annual refinements contained in E/CN.3/2018/2 (Annex II), E/CN.3/2019/2 (Annex II), and 2020 Comprehensive Review changes (Annex II) and annual refinements (Annex III) contained in E/CN.3/2020/2).
	<ul> <li><u>https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%202020%20rev_iew_Eng.pdf</u></li> <li>[2] UN SDG metadata for indicator 8.5.1.</li> <li><u>https://unstats.un.org/sdgs/metadata</u></li> </ul>
	[3] Eurostat (2020). Compilers guide on European statistics on international trade in goods by enterprise characteristics (TEC) (page 26, 60, 68). <u>https://ec.europa.eu/eurostat/documents/3859598/106</u> <u>73142/KS-GQ-20-003-EN-N.pdf/7adda2d6- 8a33-</u> aed0-d8d7-cff08dd4d8a9?t=1586164895000

#### **Result to end-users – in Denmark's case**

#### Average hourly earnings of employees, by sex, age, occupation and persons with disabilities

Components: STANDARDIZED HOURLY EARNINGS | Salary earners: Employees (exclusiv young people and trainees) | Salary: All forms of pay | Sector: All sectors | Occupation: Total | Sex:



https://www.dst.dk/en/Statistik/temaer/SDG/globale-verdensmaal/08-anstaendige-jobs-og-oekonomisk-vaekst/delmaal-05/indikator-1



#### How to get started – selected aspects

- Structural earnings statistics: Based on data from admin. registers, HRsystems or from surveys (or combinations)
- Double sampling among employers AND among employees
- Sex as background variable (obviously ...)
- Clarity of details re concepts/coverage: What exactly to include in the counter and the enumerator, respectively?
  - Paid sick leave, paid maternity leave, pension schemes, 'irregular payments' (bonuses and similar) etc.
- Clear instructions for reporting units (or 'owners' of registers)
- Details in data set:
  - Paid by the hour vs fixed salary; part time vs. full time; sector (public/private) and activity code; job function (ISCO code), seniority
- Paradox between the usage at detailed level and the accuracy at detailed level (unless sample/burden is very big)
- Beware of pitfalls e.g. underlying labour market structures ('discrimationatory' causes vs. structural causes of pay gaps)

#### Where to 'end'? A long term vision





# THANK YOU!

