

Resolution concerning an integrated system of wages statistics,
adopted by the Twelfth International Conference of Labour Statisticians
(October 1973)

The Twelfth International Conference of Labour Statisticians,

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Recalling the existing international standards of statistics of wages and hours of work contained in the resolutions of the First, Seventh, Tenth and Eleventh International Conferences of Labour Statisticians and in Convention No. 63 concerning statistics of wages and hours of work (1938),

Recognising that the need for reliable information on wages and other forms of employee income has increased in recent years both in developed and in developing countries, particularly for purposes of measuring social and economic progress among the various groups in the population,

Recognising further the need to revise, broaden and integrate the existing standards in order to provide guidelines for the production of comprehensive and mutually consistent statistics of wages (including salaries) and the need to co-ordinate these statistics with other economic and social statistics,

Believing that, while there are differences among the needs of the various countries, international guidelines for an integrated system of wages statistics will promote development of these statistics along sound lines and contribute to improvement of their international comparability,

Adopts this twenty-fifth day of October 1973 the following resolution:

General objectives and scope

1. Each country should aim to develop its statistical programme in the field of wages, hours of work and related matters to provide information for the various users of the statistics, taking into account particular national needs and circumstances. The programme should provide for the needs of users in connection with the measurement of levels of living of employees, wage determination, collective bargaining, social, economic and manpower planning, analysis of economic conditions and market conditions, formulating and implementing wage policies and income policies and studies of income distribution.

2. (i) In order to realise the above objectives, national programmes of wages and related statistics should, in principle, cover all sections of the economy, should be developed within the general framework of an integrated system and should comprise two parts: (a) current statistics programme to meet short-term needs and (b) non-current statistics programme to provide benchmark data as well as other detailed data to meet long-term and continuing needs.

(ii) In establishing any national programme of wages and related statistics, the collaboration of organisations of employers and workers should be sought.

3. The different items and series of wages and related statistics included in the national programme should be compiled in such a way as to be mutually consistent and reveal the relationships between them. Consistency with other economic and social statistics should also be ensured to the fullest extent possible.

4. (i) The current statistics programme should cover: (a) statistics of average earnings and hours of work (including, if possible, hours actually worked) and (b) statistics of time rates of wages and normal hours of work.

(ii) The non-current statistics programme should include: (a) statistics of wage structure and distribution and (b) statistics of labour cost.

5. Statistics of hours of work relevant to wages statistics should be compiled, so far as possible, in accordance with comprehensive guidelines given in the resolution of the Tenth International Conference of Labour Statisticians (1962) concerning statistics of hours of work.

6. Labour cost statistics should be compiled, so far as possible, in accordance with the resolution of the Eleventh International Conference of Labour Statisticians (1966) concerning statistics of labour cost.

7. In view of the special problems of collection of the data, a separate programme of wages statistics should be drawn up for the agricultural sector, within the scope of the general framework of an integrated system of wages statistics, in accordance with the general recommendations below, so far as they are applicable and, so far as it is practicable to do so, also in accordance with the special recommendations on agricultural wages statistics which follow.

Concepts and earnings

Earnings

8. The concept of earnings, as applied in wages statistics, relates to remuneration in cash and in kind paid to employees, as a rule at regular intervals, for time worked or work done together with remuneration for time not worked, such as for annual vacation, other paid leave or holidays. Earnings exclude employers' contributions in respect of their employees paid to social security and pension schemes and also the benefits received by employees under these schemes. Earnings also exclude severance and termination pay.

9. Statistics of earnings should relate to employees gross remuneration, i.e. the total before any deductions are made by the employer in respect of taxes, contributions of employees to social security and pension schemes, life insurance premiums, union dues and other obligations of employees.

10. (i) Earnings should include: direct wages and salaries, remuneration for time not worked (excluding severance and termination pay), bonuses and gratuities and housing and family allowances paid by the employer directly to his employee.

(a) Direct wages and salaries for time worked, or work done, cover: (i) straight-time pay of time-rated workers; (ii) incentive pay of time-rated workers; (iii) earnings of pieceworkers (excluding overtime premiums); (iv) premium pay for overtime, shift, night and holiday work; (v) commissions paid to sales and other personnel. Included are: premiums for seniority and special skills, geographical zone differentials, responsibility premiums, dirt, danger and discomfort allowances, payments under guaranteed wage systems, cost-of-living allowances and other regular allowances.

(b) Remuneration for time not worked comprises direct payments to employees in respect of public holidays, annual vacations and other time off with pay granted by the employer.

- (c) Bonuses and gratuities cover seasonal and end-of-year bonuses, additional payments in respect of vacation period (supplementary to normal pay) and profit-sharing bonuses.
 - (ii) Statistics of earnings should distinguish cash earnings from payments in kind.

Wage rates

11. The data on time rates of wages should relate to an appropriate time period such as the hour, day, week, month or other customary period used for purposes of determining the wage rates concerned.

12. Wage rates should include basic wages, cost-of-living allowances and other guaranteed and regularly paid allowances, but exclude overtime payments, bonuses and gratuities, family allowances and other social security payments made by employers. Ex gratia payments in kind, supplementary to normal wage rates, are also excluded.

13. Statistics of wage rates fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards (which are generally minimum or standard rates) should be clearly distinguished from statistics referring to wage rates actually paid to individual workers. Each of these types of wage rates is useful for particular purposes.

14. Time rates of wages for normal periods of work should be distinguished from special and other rates such as piece rates, overtime rates, premium rates for work on holidays and shift rates.

Wage payments in kind

15. In view of the dual nature of wages as cost to the employer and earnings of the employee, it may be necessary to evaluate wage payments in kind according to both of these concepts.

16. In principle, for earnings statistics, payment in kind should be measured on the basis of the value accrued to the employee, since earnings refer to the remuneration or income of a specified group of employed persons, whereas for statistics of wage rates and labour cost the evaluation should be done on the basis of cost to the employer since these data refer to the cost of units of work time.

17. Evaluation of remuneration received in kind on the basis of retail market prices generally provides a reasonable estimate of the value accrued to the employee. This method is frequently followed when income data, including wages, are collected through household surveys.

18. When earnings data are furnished by the employer, it is generally easier for him to express the money value of any payments in kind which are included as equal to the cost to him of the goods or services concerned but, if the employer is unable to report the actual cost incurred, it is convenient to use producers' selling prices, or wholesale prices. However, to evaluate the level of earnings of employees, and adjustment should be made for the difference between cost to the employer and retail prices wherever payments in kind are significant.

Current wages statistics programme

19. The current programme should be designed to provide essential data at frequent intervals in order to measure trends and short-term changes in average earnings, hours of work, time rates of wages and normal hours of work.

20. In determining the scope and content of the current programme, the need for speed in the collection and in the processing of data at reasonable cost should be a major consideration.

21. In determining the scope of particular wages statistics series, the need to permit the computation of a satisfactory index of real wages should be borne in mind. In principle, consumer price data and wages data relating to the same group of the wage-earning population should be obtained for this purpose.

Statistics of average earnings and hours of work

22. The current programme of statistics of average earnings and hours of work should cover all important categories of wage earners and salaried employees in all major economic activities in the country.

23. Statistical inquiries on earnings and hours of work may often be advantageously combined with a current survey of establishments carried out for purposes of employment, using the whole of the sample of establishments or a sub-sample. Some other current surveys may lend themselves to the collection of data on earnings and hours of work.

24. While compilation of statistics of average earnings and hours of work on a monthly basis is desirable, this imposes a heavy burden on establishments and on statistical offices. On the other hand, half-yearly or annual collection of data does not provide adequate indicators of short-term seasonal variations or trends. As a minimum, the current programme should include the compilation of quarterly statistics of average earnings and hours of work.

25. The time reference periods for data and the arrangements for collection of data should reflect the typical conditions of disbursement of earnings by establishments and the usual payroll periods used in the different industries covered by the inquiry.

26. In a quarterly survey, data could be collected for a typical payroll in respect of only one month, or of each month, thus providing in the latter case a monthly series and permitting calculation of quarterly averages.

27. Wherever possible, monthly or quarterly statistics of average earnings should be published excluding irregular or infrequent payments such as year-end, half-yearly and similar bonuses in order that the short-term trend in regular earnings will be reflected.

28. If the national monthly or quarterly statistics of average earnings exclude certain important components, such as the annual or other infrequent payments mentioned above, the current programme of earnings statistics should include the compilation once a year, wherever possible, of statistics of average earnings including these particular components.

29. For issuing data in national publications, the time unit in which average earnings are expressed, e.g. hour, day, week, or month, should depend mainly on how meaningful the figures would be in the country concerned and also on the feasibility of collection of the required data.

30. For purposes of international comparisons, it is desirable to present statistics of average earnings and hours of work on a per week basis. Data on earnings and hours for periods other than a week should be converted to a per week basis by applying the ratio between the number of working days in the period covered and the number in a normal week (including fractions of a day in each case).

31. For certain types of comparisons, statistics of average earnings per hour are preferable since hours of work per day, week or month vary over time and between industries and regions and also from one country to another.

32. In countries which compile statistics of average earnings per hour paid for, information on hours actually worked not being available regularly, additional information should be collected, wherever possible, to determine the ratio between the number of hours actually worked and the number of hours paid for.

33. Wherever the available data permit, the statistics of average earnings and hours of work should be compiled for males and for females for all employees and for wage earners and salaried employees separately, by industry and by region.

Statistics of time rates of wages and normal hours of work

34. National current statistics programmes should make provision, wherever appropriate, for the compilation of statistics of time rates of wages and normal hours of work covering wage earners in each of the important industries. The statistics may take the form of time rates of wages and "normal" hours of work actually in force in representative establishments or, alternatively, of the rates and normal hours of work fixed by, or in pursuance of, laws or regulations, collective agreements or arbitral awards. The statistics should be compiled in respect of adult males and adult females in important occupations, or groups of closely related occupations, in each of the principal industries. Wherever appropriate, corresponding statistics should be compiled for the principal occupations among salaried employees.

35. For compilation of time rates of wages actually paid by establishments and the corresponding hours of work, sample surveys of establishments normally should be undertaken at yearly intervals in respect of important occupations in the principal industries in the country, wherever the facilities and resources available permit. It is possible to cover the same ground by undertaking an annual cycle of monthly surveys each covering a certain selection of occupational groups. The data thus obtained provide valuable up-to-date information to supplement the results of wage structure and distribution surveys undertaken at longer intervals.

36. Where the statistics of time rates of wages do not give the rates per hour but refer to a day, week or other customary period, the statistics of normal hours of work should relate to an identical period. However, if the data collected refer to days of work, in place of hours, information also should be obtained on the average duration of the working day, for purposes of calculating rates per hour.

Statistics of wage structure and distribution

37. Wage structure and distribution surveys, including wage censuses, large-scale ad hoc occupational wage surveys and similar inquiries, provide comprehensive benchmark data for use in the compilation of current statistics of average earnings, hours of work, time rates of wages and normal hours of work and detailed data permitting the compilation of:

- (a) statistics of wage rates, earnings and hours of work of wage earners and salaried employees to indicate wage differentials between branches of industry, geographic regions, occupations, males and females, establishments of different sizes and possibly also age groups, educational levels and types of vocational training or qualifications of employees;
- (b) detailed data on the composition and components of earnings and wage rates;
- (c) statistics showing the distribution of wage earners and salaried employees according to levels of wage rates, earnings and hours of work respectively, classified by various important characteristics of employees.

38. Sample surveys of establishments generally constitute the most suitable means for collection of data on wage structure and distribution. It is particularly important that the design and size of the sample of establishments be adequate and in particular that all sizes of establishments within the scope of the survey, all industries and regions should be correctly represented.

39. In principle, all categories of wage earners and salaried employees, including full time and part time, permanent and temporary, should be covered in the survey. Information may be obtained in respect of all eligible employees in the selected establishments, or a representative sample of these employees. The information collected concerning each employee should include wage rates, earnings, hours of work, age, sex, occupation and, if possible, education, vocational training or qualification, period of service and, where desired, other relevant particulars. Managerial staff remunerated predominantly by a share of profits should be excluded.

40. In view of the breadth and complexity of wage structure and distribution surveys, countries which undertake them should normally do so only at three- to five-year intervals.

41. Although a time reference period of one year is ideal for certain data collected in wage structure and distribution surveys, in practice it is usually necessary to select a shorter reference period considered to be sufficiently representative for the purpose of obtaining data on earnings as well as other items.

42. Data on the composition of earnings and wage rates should be consistent with the classification of components of earnings mentioned in paragraph 10. Supplementary information may be collected on the scales for piece rates, overtime rates, premium rates for work on holidays, shift differentials and similar payments.

43. Statistics of wage rates, earnings and hours of work by occupation should be compiled in as much detail as possible.

Agricultural wages statistics

44. The concepts and definitions given above would be generally applicable to the agricultural sector. Such adaptations as may be necessary in particular countries to meet special conditions in agriculture would normally not be of a fundamental character. Although the international definition of labour cost is also applicable to the whole agricultural sector, statistics of labour cost in the traditional subsector of agriculture would not be very meaningful since hired labour constitutes only a minor part of total labour input.

45. For purposes of wage statistics, the agricultural sector should comprise major groups 111 (Agricultural and Livestock Production) and 112 (Agricultural Services) of the International Standard Industrial Classification of All Economic Activities. In certain circumstances, it may be desirable to compile data separately for each of these major groups.

46. As the factors affecting wages, hours of work and other conditions of employment in hunting, trapping and game propagation (major group 113 of the ISIC), forestry and logging (division 12) and fishing (division 13) are generally different from those concerning agriculture, these activities should normally be excluded from the scope of agricultural wages statistics.

47. The definition of "agricultural work" established for the 1970 World Census of Agriculture should be adopted for the purposes of wages statistics, so far as possible. By agricultural work or agricultural activities is meant any farm work or planning necessary to the operation of the holding.

48. Wherever possible, separate data should be compiled for permanent or regular employees and others, such as temporary and casual workers.

49. In developed countries and for the modern agricultural sector in developing countries, statistics of earnings based on payrolls and other records of employers should be collected, using the agricultural holding as the reporting unit. However, agricultural employees, apart from permanent employees, are not necessarily attached to one particular agricultural holding. Notably in developing countries, more especially in the traditional sector of agriculture, prolonged continuous employment with the same employer is relatively rare and, in addition, some workers alternate between working for wages and self-employment, or between agricultural and non-agricultural employment. In such situations, the agricultural holding is not the most suitable reporting unit for collection of certain types of data, especially for comprehensive statistics of average earnings during the year from agricultural employment and for statistics of the corresponding hours worked.

50. Statistics of agricultural wages in the traditional subsector may be obtained through household sample surveys. The principal activity criterion should be used for defining agricultural employees. A person would thus be considered to be an agricultural employee if the principal source of the income accrued to him during a specified reference period was agricultural wages.

Programme of agricultural wages statistics

51. National programmes of current and non-current agricultural wages statistics should be developed within the framework of an integrated system covering statistics of earnings, wage rates, hours of work and labour cost, so far as possible. Since the resources required for the production of agricultural wages statistics are substantial, particularly in developing countries, priorities should be carefully determined to ensure smooth and satisfactory progress of the national programme of wages statistics.

52. In the developing countries, in order to take account of the problems specific to them, separate subprogrammes of wages statistics should be developed for traditional and organised agriculture, where different methods and data collection techniques are needed. So far as possible, the data collected in the two subsectors should be suitable for combination to produce statistics for the agricultural sector as a whole.

53. Selected statistics should be compiled separately for agricultural employees who are paid wholly in cash, those paid wholly in kind and those paid partly in each medium. In addition, information should be given on the amounts for major components of payments in kind, such as food and housing, which are included in published statistics of average earnings of agricultural employees.

54. Wherever possible, the data should be classified according to occupation and according to broad types of agricultural holdings (dairy, poultry, livestock, field crops, mixed farms, etc.).

Current agricultural wages statistics

55. Since there is seasonal variation in agricultural activity, and since the relative importance of agriculture differs from country to country, the interval for collection of current data on earnings and time worked in agriculture should be determined in the light of the needs of each country. The data should cover all categories of agricultural employees, including those paid wholly in kind. However, those employees whose remuneration is not paid regularly at daily, weekly or monthly intervals (but might consist, for example, of a share of the crop, with or without some cash wages) would have to be excluded from the current statistics of earnings.

56. Where a country has a continuing and frequent household sample survey for obtaining labour force data, additional information might be collected, at a reasonable cost, on earnings of agricultural employees and hours or man-days worked. However, attempts to obtain reliable data from this source, in respect of earnings in agriculture, might encounter sampling and other practical problems.

57. Each country which does not regularly compile current statistics of earnings and hours of man-days in agriculture should undertake surveys of time rates of wages actually paid and hours worked in agricultural establishments, preferably at intervals of not more than six months. These surveys should cover the principal occupations in agriculture.

58. Where labour contract rates quoted include both a wage rate and hire charges for the worker's own equipment, implements or working animals, adjustments should be made to exclude the hire charges.

Non-current agricultural wages statistics

59. Statistics of wage structure and distribution and of labour cost should be compiled for the organised subsector of agriculture at five-yearly intervals, based on results of surveys of agricultural establishments.

60. Since agricultural holdings commonly employ temporary and casual workers and the total earnings of these persons from agricultural work for the data reference period of a wage structure and distribution survey may not be fully reflected in the payroll records of the establishment, data could be collected from the employees currently working on the holding on any additional earnings they had received in respect of paid work on other agricultural holdings during the reference period.

61. Information on the structure and distribution of earnings and hours of work in the traditional sector of agriculture in developing countries could be obtained through household surveys covering agricultural households, especially large-scale surveys of agricultural labour incomes where data are obtained on earnings throughout the year. It is desirable in large-scale sample surveys of agricultural

households to design the sample in such a way as to permit monthly or quarterly estimates to be made of average earnings and hours or man-days worked.