

# **20<sup>th</sup> MEETING OF THE VOORBURG GROUP**

Helsinki, Finland  
2005

**Producer price index for services  
Principal paper**

**The French SPPI on  
Labour recruitment  
and  
provision of temporary workers**

Benoît Buisson (INSEE, France)

## **I) Abstract**

The implementation of price indices in the sector of "labour recruitment and provision of temporary workers" is a very important step, particularly for European countries as part of regulation of short term statistics. For France, in comparison with the relative importance of these sectors, the main part of the work concerns the monitoring of prices for temporary work. In this domain, the definition of the product is an essential stage of the process. A homogenous definition according to the country, which does not currently seem to be the case, is a necessary preliminary for the comparison of indices. The price monitoring methods are, along with the price setting methods, relatively easier to implement than in other service sectors (IT services consultancy for example). The difficulty of operating in France results from difficult relationships with the professional unions and the major companies of the profession. Even if they are interested by the indices that will be distributed, conservatism is acceptable with regard to prices. This explains why the process for the implementation of price indices in temporary work has transpired to be very long. The first processes started in 1995, ten years later, even if it appears that we achieved the aim, the indices have still not be published!

## **I) Introduction**

INSEE has been trying to build a production price index for provision of temporary workers since 1995. Due to its economic importance, investigations into this sector were soon started. However, after opposition from the professional organisation, analysis came to a halt in 1997. In July 2003, another meeting was organized with the professional organisation with a view to restarting investigations. Although this meeting was amicable, the professional organisation refused to cooperate with INSEE on this topic. As a result, INSEE decided to construct a price index for this area without any assistance from the professional organisation. This decision was motivated by the urgent need to define price indices for temporary employment in the light of European legislation on short-term statistics. Since the start of this operation, we have encountered major difficulties with the leaders of the profession. We have organised several meetings with the professional unions and the main companies. These meetings have allowed a blockage situation to be avoided. At the request of professionals, we have defined a common enquiry protocol for the leaders. This protocol is still in its validation phase. We hope that the large companies will respond between now and the end of 2005 (following 2 years of discussion). This demonstrates the difficulty of creating a price index (sensitive subject) for temporary work. In fact, we will not be in a position to circulate the results prior to June 2006. In conjunction with our work on temporary employment, investigations have begun on related areas (in terms of product classification) : supply of staff who are not temporary workers, recruitment consultancy. This text is supported by two other contributions: An article on the same subject produced by the Voorburg congress in Ottawa in 2004 (mini-presentation) and the chapter on this industry for the OCDE manual and Eurostat manual for the monitoring of prices in the services.

## **II) Definition of Industry Output**

In terms of French product classification, the "selection and supply of personnel" (74.5) consists of two areas: employment services (74.50.1) and the supply of personnel (74.50.2). Employment services consist of all services relating to the search for and selection of candidates, and all ancillary services such as skills assessments. In terms of product, the supply of personnel consists of all forms of personnel supply including temporary employment. A distinction is then made between the type of personnel supplied: office staff, domestic staff, labourer or technician, paramedical staff, other types of personnel. Three sub-branches were identified for monitoring prices: temporary employment, supply of personnel who are not temporary workers, recruitment consultancy. Two sub-branches were identified for monitoring prices: provision of personnel (including temporary employment) and recruitment consultancy. The length of employment of the placed employee is not a major distinguishing characteristic between these two sub-branches. An employee who fills a position with the aid an establishment includes in "provision of personnel" receives salary and benefits from the temporary agency, not from the firm for which the employee is actually working. An employee who fills a position with the aid of an employment agency fills that position in the same way as anybody else who might have been hired directly by the company.

The definition of the service product in this industry is one of the key aspects. For the provision of staff, should one consider that the product is the "provision of a certain amount of work" or the "result of the provision of staff"? In other words, if a corporate customer requests an unqualified worker for three days from a temporary work agency, is the product "an unqualified worker for three days" or the "production generated by an unqualified worker for three days"? The answer to this question is essential for the monitoring of prices. If the answer is "three days of an unqualified worker", the methods based on monitoring of hourly price per qualification will be relevant. In particular, there will not be a problem of adjustment associated with variations in productivity. The answer "production generated by three days of work by an unqualified worker" would necessitate specific adjustments with the monitoring of prices per qualification. The answer to this question may also have consequences on industries other than the provision of staff. Some services (IT services, consultation, etc) are very closely linked for some of their worker provision activities for the client, even of the current market trend is not going in this direction. The answer to this question also conditions a large part of the "quality" diagnostic on the monitoring of prices by qualification. Likewise, it is not certain that this response will be the same for temporary work as for the other types of activities in the provision of workers (as part of the nomenclature of products in France). In France, we consider, for temporary work, that the product is not linked to the production generated by the provision of staff. In other words the volume of activity is comparable to the volume of time of provision.

Another major concern in the industry of provision of personnel is the definition of the product. We can underline these sentences page 9 of this manual "The ESA recommends (paragraph 11.13) that

persons employed by temporary employment agencies are to be included in the industry of the agency which employs them, and not in the industry of the enterprise for which they actually work. As a consequence of this recommendation, the value of services produced by the agencies amounts to all payments (including compensation of temporary employees) and not only “net fees” received by the agency. On the other hand, the ESA notes in the same paragraph that the treatment on a net basis might be more suitable for purposes of input-output analysis - that is temporary workers are to be reclassified in this case into the enterprise where they actually work and only net fees are recorded as value of services purchased from the agency. Any decision about the gross or net treatment of prices underlying SPPI should be made in line with national accounts practice and may thus vary between countries.” At European level, it is crucial to aggregate the same thing and not to mix very different approaches (gross and net approach). When you consider the concept of national accounts and different examples from European countries, it appears that the gross approach is more used and more adapted than the net approach. Of course, the weighting coefficient of provision of temporary workers in the business services industry is lower if you choose the net approach. In this case also, the answer to this question (gross or net approach?) conditions the choices of the method of price monitoring or more specifically the nature itself of the price that we have to analyse. In France, for temporary work (see part VIII), the price is the product of a multiplier coefficient by salary, salary then paid to the temporary worker. As part of the “gross” approach (the approach that has been chosen in France), the price to be monitored is the product of the coefficient by the salary. As part of the net approach, the price to be monitored is the product of the salary multiplied by the multiplier coefficient, the product to which one subtracts the salary paid to the temporary worker. The weighting coefficients for each company will also depend on the selection made.

As part of the provision of staff, the definition of the product (with an answer to the previous two questions) is therefore a stage that is essential for the implementation of price indices in this industry. The international comparisons of indices, with a diagnostic quality on these same indices, will be significant if the concepts accepted are the same. Currently, it appears that this is not the case. It would be futile to construct a price index, without precisely defining the product in advance.

### **III) Business Model**

A temporary employment company supplies on a temporary basis personnel that it recruits and remunerates via temporary employment agencies, under conditions that are stipulated by the French employment code. A company can take on salaried staff from temporary employment agencies only in some cases: to replace a salaried employee, temporary increase in business, seasonal employment. In France, the activities of the National Employment Agency (ANPE) are not counted in the product “provision of staff and recruitment consultancy”. Until 2005, ANPE legally had the monopoly for “placement” activities outside of temporary work. The law of social cohesion of January 2005 actually stops this monopoly by extending the placement activity to private operators such a temporary work organisations. In fact, the ANPE may create subsidiaries and invoiced companies for these services. It is still too early to measure the impact of this law, particularly in companies that recruit temporary staff.

In France, nearly 1,000 companies specialising in temporary employment supply their clients with staff, via a network of over 5,000 temporary employment agencies. Temporary employment companies have an annual turnover of 20 billion euros. Over two million people undertake a temporary job assignment per year. Industry is the principal sector using temporary workers: it alone employs half of the personnel supplied by temporary employment companies. The construction industry is next (17%) followed by services (13%), the retail trade (10%) and transport (7%). The climate in temporary employment is closely linked to the economic situation. Trends in the number of assignments are often an early indicator of economic turnarounds. The temporary job market is very concentrated in France: the three leaders have 70% of the market share. These three leaders are subsidiaries of foreign group: Adecco (Switzerland), Manpower (United States) and Vedior (Netherlands). Behind these three leaders, the French groups Crit and Synergie have less than 10% of the market share.

Reductions in employers' social security contributions have a considerable influence on prices and the profit made by temporary employment companies. These reductions have become increasingly important in France, particularly following the introduction of a 35-hour week (Aubry laws 1 and 2). In theory, the temporary employment company receives the reductions in employers' social security contributions. This explains why prices can remain stable in very favourable economic circumstances, if there are more reductions in employers' social security contributions. The very healthy position of temporary employment companies during some periods is explained by massive reductions in employers' social security contributions. The client company, knowing that the temporary employment company is going to benefit from these reductions, can negotiate a lower price. In this situation, the mechanism by which employers' social security contributions are reduced has an effect on prices. The temporary employment company may even transfer on some of the reductions to the client company which changes the price then paid by this company. Generally speaking, variations in reductions in employers' social security contributions impact on the prices charged and in particular the link between the economic climate and price variation.

The supply of personnel (outside temporary employment) mainly involves the employment of receptionists and models. We have identified almost 700 companies of this type in France, which have a turnover of nearly 1.2 billion euros. However, the turnover generated is much lower when we exclude human resources management within the same group.

The recruiting consultancy covers more than 1,000 companies in France, by employing nearly 5,000 people. The turnover generated by this industry would be around 500 million Euros. This industry is smaller in France than in other countries. In addition, it has been subject to strong competition from online recruitment on the Internet. Direct online recruitment between a company and the potential candidate is continuing to develop, forcing recruitment agencies to expand the services that they can offer.

#### **IV) Sample Design**

As with other studies of this type, companies are selected on the basis of the results of the annual survey of service companies. In this survey, companies are asked to break down their turnover by product. Temporary employment companies can be located very easily from this source so this was used directly. The principle of the survey is to choose the largest companies and to take a random sample of the others by level of turnover. Companies with a turnover of more than 20 million euros were chosen automatically, a total of 56 companies. The final sample contains 120 companies, which generated 18 milliards euros of turnover. The five largest firms represent 85% of this turnover. We used the same survey base and the same principle of sampling for recruitment consultancies. The final sample consists of 20 companies in this sector. Regarding the supply of personnel outside of temporary employment, we could not make direct use of the base consisting of results from the annual survey of service companies. Many of the largest firms transfer staff between companies in the same group, with no market price. We excluded these companies from the survey base and we used trade union's source in order to complete the sampling base. Some companies, which were listed by the trade union as supplying receptionists, come under the product code "organisation of trade fairs and exhibitions".

Currently, the 90 companies that have agreed to reply to this survey a turnover of €3 billion. From now until the end of 2005, we hope to convince the five leaders to respond, which would take the turnover monitored to €18 billion. In the provision of personnel outside of temporary work, we asked 20 companies, which represent a turnover of €180 million. The majority of these companies specialise in the provision of receptionists. In the recruitment consultancy, 15 companies are questioned quarterly. They generate a turnover of €80 million. As can clearly be seen, the majority of the index "labour recruitment and provision of temporary workers" will be made up by the index on temporary work. The low rate of coverage in the provision of staff outside of temporary work can be explained, on the one hand, by the planned abandonment of price monitoring for modelling agencies and, on the other hand, by the absence of market value for the provision of staff in the same group. Finally, for the recruitment consultancy, the method of sampling, which favours big companies, explains the relatively low rate of cover in this market, which, in France, is very fragmented.

#### **V) Industry Recordkeeping Practices**

In temporary work, the companies record, per client, all of the information necessary for monitoring prices in their internal information system: In particular, qualification at specific level, hourly rate, number of hours paid by the client, number of hours carried out by the temporary worker, hourly payment made, multiplier coefficient. Other elements, such as relocation costs, volume discounts or meal allowances are also registered. All of these elements are available at a very specific level: Per client and for each client per temporary worker. By contrast, it is rarer for a company to use information at an aggregated level for, for example, calculating average prices per qualification and / or per client. The cost of entry into the "monitoring of average price per qualification" plan will therefore be increased for the companies. Large companies will often have the means to pay this entry cost and will be able to

create computer programmes in order to respond to our requests. On the other hand, the small and medium sized enterprises will not always be able to calculate average prices per qualification. In this instance, we will orientate ourselves towards the simplest monitoring mechanisms, by favouring the client approach in order to be more in step with the IT systems of companies.

In the provision of staff other than for temporary work, the receptionist agencies will be able to respond to our questions with the information available in their management system. Per client, we have all of the elements relating to prices: Description of the service, number of hours, qualifications required, total price, total hours. The situation is completely different for the modelling agencies whose management tools are more rudimentary, even for agencies that have an international presence. There are fewer management indicators, the hours worked and paid are very poorly recorded and all of them are very different. As a result of the small size of the sector and the management tools in force, we will be forced to abandon the monitoring of prices in this type of profession. For recruitment consultancy, for the large companies, the indicators available will allow us to implement methods for monitoring relatively relevant prices. However, the particular method of fixing the prices in the profession will give us a problem (see part VII).

## **VI) Publication Structure and Relationship to CPC**

In terms of international product classification (CPC version 1.1), group 851 includes "executive search and employment agency services" (category 8511) and "supply of personnel services" (category 8512). Recruitment agencies therefore come under category 8511 whilst temporary job agencies are in category 8512. We can distinguish in our family tree three sub-branches: temporary employment, provision of personnel apart from temporary employment, recruitment agencies.

In order to track prices in temporary employment, we have used a classification, which combines the sector of the user company (industry and agriculture, construction, services) with the temporary worker's qualification (executives, intermediate professions in health and social policy, technicians, administrative staff, skilled workers, unskilled workers, others). To monitor prices in provision of personnel except for temporary employment, we have used a classification, which distinguishes between three types of services: employment of receptionists, employment of models, and other types of employment. To monitor prices in recruitment agencies, we have used a classification, which crosses the type of recruitment in three posts with the level of recruitment (new and recent graduates, middle management, company managers and senior executives).

We obtain the following family tree for "provision of personnel and labour recruitment" :

- 1) Provision of temporary workers
  - Provision of executives
  - Provision of intermediate professions in health and social policy
  - Provision of technicians
  - Provision of administrative staff

- Provision of skilled workers
  - Provision of unskilled workers
  - Provision of other temporary workers
- 2) Provision of personnel apart from temporary workers
- provision of receptionists
  - provision of models
  - other types of provision of personnel
- 3) Labour recruitment
- new and recent graduates
  - middle management
  - company managers and senior executive

An INSEE field officer visits each company in the sample. His task is to obtain a breakdown of the company's turnover according to the classification used. Weighting for each service whose price we are tracking every quarter will therefore be calculated on the basis of information obtained at the visit. As a result, all of the information on the weighting coefficients (per service, but also the coefficients in the aggregation tree diagram below) result directly from the inspections by field officers. We do not use many external resources, results of annual enquiries by companies, for example, in order to calculate our weighting coefficients. This is mainly a result of the fact that the fields of these sources of information can be considerably different. In the enquiry into price monitoring, we are limited to following the "market" price, which excludes the companies that provide services as part of the same group without practicing market price.

## **VII) Pricing Methodology**

### **a) pricing mechanism**

In the case of supply of personnel (including temporary work), the client pays the service company, which in turn pays some of this amount to the person supplied. In temporary employment, the temp agency pays the temporary worker his salary. It is important to recognize that the price should be collected is that charged to the client rather than that paid by the agency to the employee. The principle on invoicing consists of applying a multiplier coefficient to the temporary worker's hourly gross salary in order to obtain a price per hour. This price per hour then has to be multiplied by number of hours charged. The gross hourly salary must be at least the same as the minimum hourly salary of the job in the user company. The client company must in theory provide the temporary employment company with its salary scale. The temporary employment company can also use the salaries set out in the relevant collective agreement as a basis. The hourly salary is negotiable between the temporary employment company and the client company, according to the temporary worker's qualifications and the economic circumstances. All things being equal, changes in salaries result in changes in prices. The price can depend on factors such as: geographical location, type of work, the relationship between the temporary agency and the client, the length of the contract, level of skill. The multiplier coefficient is a strategic

variable for the temporary employment company. It may depend on many parameters: the temporary worker's qualifications, type of client or length of assignment. The longer the assignment, the lower the multiplier coefficient - particularly if the work is unskilled. On average, the value of the multiplier coefficient seems to be about two. With major, regular clients, framework contracts exist which specify according to qualifications the hourly rate, which must be charged. These framework contracts seem to be honoured quite frequently, even when there is a change in the economic situation. Generally, in this type of contract, temporary employment companies want a volume of activity, with comparatively low multiplier coefficients. The value of the multiplier coefficient for the same client seems to be quite stable over time. Relocation expenses and meal allowances, when they exist, are paid to the temporary worker by the agency and invoiced without a margin. Reductions for the volume and reductions according to the client's profile appear to be a current practice in temporary work. The management of this type of reduction will pose a problem for us in the monitoring of prices. In fact, part of the reductions from the year N will only be finally known at the start of the year N+1. The prices actually practiced in year N will therefore finally be known in N+1. At the start of the year N+1, the companies will therefore recalculate the price practices in N. Some companies will attempt to "specifically" allocate the adjustment of reductions across all of the quarters while others will only change the value of prices in the 4<sup>th</sup> quarter in order to obtain a coherent year. This second case will only cause problems in monitoring prices with fictitious seasonality.

The principle is the same for supplying personnel outside of temporary employment : price per hour or day depending on the person's qualifications. Even if the method of setting tariffs appears to be similar, it is not certain that the product sold is. As part of the provision of a receptionist, we are more faced with a service that is provided globally than the provision of a certain number of hours. As a result, the professional union for this activity has been fighting for several years to be classed differently in the nomenclature of French activities. When employing models, the situation is more complicated. A distinction must be made between fees associated with the length of service and picture royalties. Picture royalties are the fees paid so that a model's image can appear on advertising material. Picture royalties are fiercely negotiated. As in advertising, there is very little connection between service and the notion of time. Furthermore, the price appears very "variable". Above all, it seems to be fixed according to the client's budget and his negotiating power. This may seem logical because there is really no direct cost when considering the price for this type of service.

There are three main methods of invoicing for recruitment consultancies: a set price, a percentage of the new recruit's salary or re-invoicing of costs with profit. Taking a percentage of the new recruit's annual salary seems to be the main method.

## **b) pricing methods**

When you consider pricing methods, it is crucial in first to well define the product you want to monitor the price. There are two methods of monitoring prices in temporary employment: the average price by qualification and user sector on one hand (charge-out rate), and monitoring the client's contract price on the other (charge-out rate by client, a kind of component pricing approach).

When monitoring average prices by qualification and user sector (charge-out rate method), hourly invoicing rates are calculated which take gross hourly salaries and multiplier coefficients into account. Assignments relating to the level of qualification and user sector required are selected; an average charged hourly rate is calculated based on the number of hours invoiced. This can be achieved, in theory, with the management system used by temporary employment companies (see part VI). However, they are not indicators, which small and medium-sized businesses normally use. Admission into the survey system therefore can be a great burden for the firm. We could decide, for example, to track the average price of a welder in the shipbuilding industry. We would link this to the "skilled worker for industry" post in our classification. The choice of qualifications and client sectors would of course depend on the companies' specialisation. Monitoring average prices by qualification and sector can introduce two main types of bias associated with reductions in employers' social security contribution on one hand, and the average length of assignments on the other. With regard to reductions in employers' social security contribution, the greatest problem remains when some of the reductions are transferred to the client. It seems impossible to deal with this problem. It is the variation in the refunded reductions, which is the problem. Average prices are calculated whatever the length of assignment. For long assignments, the multiplier coefficient may be lower. If the average length of assignments increases over time, there will be a reduction in the average price due to this fact alone. After talking to companies, it seems that these two limits are not very important: reductions are only refunded to clients in a marginal way, the average length of assignments seems stable and the link between hourly price and length of assignment does not seem to be as obvious as that. In any case, it is of course very important not to monitor an average hourly price with all qualifications and all user sectors taken into account.

When a temporary employment company cannot calculate average prices, we can adopt the client approach (charge-out rate by client). The principle consists of monitoring hourly prices charged for some qualifications based on the contract signed with a given client. One must ensure that this type of service can be monitored every quarter (regular client, qualification often required by this client). Of course, one must take qualifications and clients, which are "representative" of the temporary employment company's business. If there are many clients, few of whom are regular, with different prices charged, it will be difficult to identify a particular number of "representative" clients. An important point is the definition of the product and the linked between this definition and the client. Do we consider that the client is one of the parameter of the product's definition? The price would be different for the same qualification if the clients were different (price discrimination). For example the price would be lower for a large or a new client rather than other clients. The average price per qualification depends of

the nature of clients (the proportion of large clients, of new clients...). On my opinion, the nature of the client is not included in the definition of the product.

Choosing between these two methods (charge-out rate method and charge-out rate by client) in the case of temporary agencies largely depends on the following two parameters: firstly, the burden of response and the companies' wish to calculate average prices by qualification and client's economic sector and secondly, the structure of the clientele and the specialization of the temporary employment company. If there are many clients, few of whom are regular, with different prices charged, it will be difficult to identify a particular number of "representative" clients. About the definition of the method, we can consider (linked with the definition of the product) that "charge-out rate for a given client" is kind of component pricing approach. The name "charge-out rate method" is the same in temporary employment as in computer services; nevertheless the product is not the same. In temporary employment, with this method, we focus our attention on one component of the product. In computer services, with charge-out rate method, we focus our attention on one component of the pricing mechanism (and not on one component of the product).

The monitoring method seems to be easier to implement in the case of employing receptionists. In this sector, there are a great many regular contracts, which specify, for a given year, the daily or hourly rates for the receptionists supplied. The general idea is therefore to select a representative sample of these contracts and we will monitor the price in these contracts every quarter. As our investigations currently stand, we have not found any suitable method in the case of provision of models.

It is possible to monitor price evolution in different ways for labour recruitment agency: we can collect a commission rate, a standard fee or a commission fee in the form of a percentage figure that represents the proportion that they take from an employee's salary. This last case is less straightforward because an estimate of the price has to be calculated. This is achieved by applying the percentage figure to an average salary. If the percentage is stable and the average of the new recruit's salary (for the same service) increases, the price increases too. It would be difficult to monitor the price evolution in head hunting. Head Hunting involves unique matching of individuals to posts and is only carried out by a relatively small number of agencies. Perhaps it would be better to exclude head hunting in first. It would be more efficient to focus our attention on other labour recruitment agencies

### **VIII) Quality Adjustment**

In this section we are only concerned with provision of temporary workers. In first, it is crucial to define the output of this industry. If you consider, like in France, that the output definition of temporary work services is the provision of labour availability it seems to me that you have not problem of quality adjustment. If you consider that the product is the labour by the temporary workers, quality adjustment is needed. The following part suggests some ideas in this area.

We must ensure when we measure prices that the volume of production and the quality of service are constant. We can see that part of this problem is very closely related to the study of temporary workers' productivity. If the productivity, per hour worked, of temporary workers increases over time and we do not take account of this in the measurement of prices, we will overestimate the price variation (if we consider that the product is the result of labour done by temporary workers). In fact, we are incorporating some of the volume effect in the price measurement. To avoid doing this, we can assume that the variation in temporary workers' productivity in a given user sector is the same as all the salaried staff in the same sector. We can calculate an annual productivity indicator. This idea raises several difficulties. In order to calculate this productivity indicator, one must ensure that temporary workers are reclassified in their user sector and not left in the "temporary employment" sector. Given the method of measuring prices, productivity must be calculated by relating a product volume to a number of hours worked (and not a number of people or full time equivalent, even though the latter must be acceptable). Using this calculation, we will obtain an annual variation in productivity, which will need to be converted to quarterly figures due to the frequency of price measurement. Likewise, given the available sources, variation in productivity can only be calculated with some delay: the value of the price indices must therefore be revised.

## **IX) Survey Vehicles**

After establishing an ongoing cooperation with professional organization and enterprises (particularly the most important one in provision of temporary workers) price can be collected via Internet or on postal way. Nevertheless, there will be some cooperation problems within this industry, as temporary help companies are hesitant to divulge price information.

Contact with large companies is very frequent, mainly because of their reluctance to give us information on prices. As in the other industries, for the launch of the survey, the companies have been in contact with the INSEE field officers (inspection, definition of enquiry protocol, collection and examination of first prices). Nevertheless, this type of contact has not been sufficient. Faced with the suspicions of companies, numerous contacts with the professional union have been necessary to explain this process, the aim of the enquiry and to provide all of the guarantees on the confidentiality of data. In addition, two specific meetings have been organised by the professional union in order to iron out the difficulties. At the time of the second meeting (in June 2005), an enquiry protocol has been defined with the major companies. It must be carried out by these companies from now until September 2005. The leading companies have actually wanted to supply the information exactly on the same enquiry protocol. In addition, in this enquiry protocol, the same companies have insisted on providing average salaries paid per qualification, in addition to prices. The argument being that a variation in prices is the most productive of the variation of salaries, which therefore constitutes a major context element for commenting on changes. These contacts will be followed up with the companies and the professional unions, particularly in the respect of the publication of results. Several meetings shall be organised in

order to examine, comment on the value of the first indices before planning the distribution. The process prior to circulation will probably be long and difficult.

### **X) Conclusion**

To conclude, insisting on the definition of the product for the "labour recruitment and provision of temporary workers" sector seems to me to be particularly important. Wanting to compare methods and index values appears unrealistic if the definitions of the product and of the sector are not the same according to the country. The diagnostic quality on the monitoring methods, the calculation of weighting coefficients, the significance of the sector in the economy of the country are also factors that depend on definitions of product and industry. It seems to me that most of the debates on this sector, as part of the 20th congress of Voorburg shall focus on this point. This is an essential prerequisite prior to planning the price monitoring method in this sector.